

1 **1.010—FINANCE AND ACCOUNTING**

2 ~~The incorporation~~This section of regulations incorporates by reference (as indicated within) throughout
 3 ~~section 1.010~~material originally published elsewhere. Such incorporation, however, excludes later
 4 amendments to, or editions of, the referenced materials. Pursuant to C.R.S. § 24-4-103(12.5), ~~C.R.S.~~,
 5 the Department of Health Care Policy and Financing maintains ~~either electronic or written~~ copies of this
 6 incorporated ~~text in its entirety available~~texts for public inspection during regular business hours, at:
 7 Colorado Department of Health Care Policy and Financing, 1570 Grant Street, Denver, CO 80203.
 8 Certified copies of incorporated materials are provided at. ~~Copies may be obtained at a reasonable~~ cost
 9 upon request. ~~or examined at any State publications depository library.~~

10 Incorporated materials are found in the following sections: 1.010.1, 1.010.3(5), 1.010.5(2)(b),
 11 1.010.7.H(4), 1.010.7.I(4), 1.010.7.K(2), 1.010.7.K(4), 1.010.7.M(3), 1.010.7.O(3), 1.010.8.A(1),
 12 1.010.8.B, 1.010.8.E(1), 1.010.8.F(3), and 1.010.8.H(1)-(5).

13 **1.010.1 — Definitions**

14 Please be advised that the definitions set forth in 1.010.1 also apply to 1.020

15 The following definitions are used in this rule manual~~Rule Manual~~, unless the context otherwise requires.

16 Accounts Receivable are recoveries that may be due the County Department~~county department~~ of
 17 Social/Human Services~~social/human services~~ for, but not limited to the following: Overpayment of a
 18 benefit or benefits, Ineligibility for a benefit or benefits, Fee for service provided, Overpayment to a
 19 Vender of goods, Provider of service, or Employee.

20 Allowable Expenditures are those which the Colorado Department of Health Care Policy and Financing
 21 deems are allowed or required.

22 Applicable Credits refer to those receipts or reductions of expenditure-type transactions that offset or
 23 reduce expense items as direct or indirect costs. Examples of such transactions are: Purchase discounts,
 24 Rebates or allowances, Recoveries or indemnities on losses, Insurance refunds or rebates, Adjustments
 25 of overpayments, or Erroneous charges. To the extent that such credits accrue to or are received by the
 26 County Department of Social/Human Services~~county department of social/human services~~ and relate to
 27 allowable costs, they shall be credited to the Colorado Department of Health Care Policy and Financing
 28 and/or the appropriate federal award as a reduction of expenditures.

29 Applicant is any individual who has applied for benefits under the programs of Medical Assistance~~medical~~
 30 ~~assistance~~ administered or supervised by the Colorado Department of Health Care Policy and Financing,
 31 in accordance with the provisions of Section 25.5-4-103, C.R.S.

32 Appointing Authority is the person with the direct authority and responsibility for Appointment of
 33 employment, Disciplinary action, Promotion of, and or Discharge of employment, over another person.

34 Appropriation means the authorization by ordinance or resolution of a spending limit for expenditures and
 35 obligations for specific purposes, in accordance with the provisions of Section 29-1-102, C.R.S.

36 Appropriations Account is a budgetary account that represents the total authorized expenditures for a
 37 current fiscal period.

38 Approving Authority is the person with direct authority and responsibility for reviewing and approving of
 39 another's activities or requests for payment of expenses.

40 Arms-length Bargaining means both parties to a contract have relatively equal powers of negotiation upon
 41 entering into the contract. Neither party has a disproportionate amount of power to strong-arm the other
 42 party.

- 1 Capital Expenditure shall be the cost of the asset including the cost to put it in place. Capital expenditure
 2 for equipment means the net invoice price of the equipment, including the cost of any modifications,
 3 attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it
 4 is acquired. Ancillary charges, such as taxes, duty, freight, and installation may be included in, or
 5 excluded from, capital expenditure cost in accordance with the County Department~~county department~~ of
 6 Social/Human Services~~'social/human services'~~ accounting policies._
- 7 Capitalized Equipment is tangible personal property that has an acquisition cost of more than \$5,000.00,
 8 which is not a permanent part of a building and does not lose its identity through incorporation into a more
 9 complex unit._
- 10 Capital Lease transfers to the lessee substantially all of the benefits and risks related to ownership of the
 11 property. The lessee records the leased property as an asset and establishes a liability for the lease
 12 obligation._
- 13 Cash means the cash account(s) of the County Department~~county department of social/human services~~,
 14 all trust accounts, all petty cash accounts and any other cash accounts maintained._
- 15 Cash Reconciliation means the treasurer/bank balance shall be agreed to the general ledger cash
 16 balance using an outstanding warrant list and possibly other identifiable reconciling items._
- 17 Catalog of Federal Domestic Assistance Number (CFDA) a five digit number assigned in the awarding
 18 document to most grants and cooperative agreements funded by the Federal government. The CFDA
 19 number for Medicaid is 93.778 and the CFDA for the Children's Health Insurance Program is 93.767.
- 20 Chart of Accounts is a numbered list of accounts that gives order and consistency to a bookkeeping
 21 system. Common terminology and classifications shall be used consistently throughout the budget, the
 22 accounts, and the financial reports of the fund._
- 23 ~~Client is a generic term for an individual or group of individuals who receives any assistance from the~~
 24 ~~county department of social/human services whether it is in the form of cash, non-cash or services.~~
- 25 Commercial Lodging is a hotel, motel, resort or public inn as defined in Section ~~42-44-3-103~~104, C.R.S.
 26 or a bed and breakfast as defined in Section ~~39-1-102~~12-47-103, C.R.S._
- 27 Commitment Vouchers as defined by State of Colorado Fiscal Rules, 1 CCR 101-1:Rule 3-1 (2021),
 28 which is hereby~~2-2~~, incorporated by reference, include any approved form of purchase order, contract,
 29 travel authorization, advice of employment, Grant Contract, license agreement, parking license
 30 agreement and other written authorization for disbursements which satisfy the requirements in a
 31 document providing the following: _
- 32 1. _____ A description of goods or services being purchased or other reasons for the disbursement of _
 33 funds; _
- 34 2. _____ The amount to be paid; _
- 35 3. _____ The obligation is being charged to the appropriate account; and _
- 36 4. _____ That procurement requirements have been satisfied. _
- 37 Contract means a mutually binding legal relationship obligating the seller to furnish the supplies or
 38 services and the buyer to pay for them. It includes all types of commitments that obligate the government
 39 to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing. _

- 1 Contractor is an entity that receives a Contract (2 CFR §200.23). A contractor provides goods and
 2 services within normal business operations. Operates in a competitive environment. Provides goods and
 3 services that are ancillary to the operation of the federal program.
- 4 Corrective Action means action taken by an auditee that corrects identified deficiencies._
- 5 Cost Allocation Methodology is a system of principles, practices, and procedures that identify the: Types
 6 of services provided, Cost of each service, Reasonable basis of allocation for each type of service which
 7 will produce an equitable distribution of costs, Cost objective(s), and Appropriate mathematical
 8 computation to make a rational allocation of costs._
- 9 Cost Allocation Plan is a systematic and rational allocation of all administrative costs and a narrative
 10 description of the procedures that will be used in identifying, measuring and allocating all administrative
 11 costs to the benefiting programs and activities._
- 12 Cost Objective is a program, grant, organizational subdivision, function, contract or other activity for which
 13 costs are being accumulated._
- 14 Cost Pool is an aggregation of costs for subsequent allocation to another cost pool or a cost objective._
- 15 Costs are expenses incurred, either directly or indirectly. Costs include such items as Labor, Material,
 16 Supplies, Rent or building charges, Operating expenses, and Administrative expenses that might properly
 17 be assigned to a project or program. It does not include transfers to a general fund or similar fund._
- 18 County Board of Social/Human Services or County Board means the county board of social or human
 19 services or district board of social or /human services except in the case of the City and County of Denver
 20 or the City and County of Broomfield, this means the city and county board~~department or agency~~ with
 21 responsibility for Medical Assistance~~medical assistance~~ and related activities._
- 22 County Department of Social/Human Services or County Department means the county department of
 23 social or human services or district department of social or /human services, except in the case of the City
 24 and County of Denver or ~~in~~ the City and County of Broomfield, this means the department or agency
 25 responsible for Medical Assistance~~medical assistance~~ and related activities._
- 26 County Director means the director of the County Department of Social/Human Services~~county~~ or district
 27 department of social/human services, except in the case of the City and County of Denver or ~~in~~ the City
 28 and County of Broomfield, this means the director of the department or agency responsible for Medical
 29 Assistance~~medical assistance~~ and related activities._
- 30 County ~~means~~ is a county or a city and county.
- 31 Data refers to all books, papers, maps, photographs, or other documentary materials regardless of
 32 physical form. Data may be in hard copy form, microfiche, electronic, or other form._
- 33 Deferred Revenue means a revenue collected but not yet earned._
- 34 Direct Costs are those costs that can be specifically and readily identified with a program, grant, function,
 35 contract, or other activity._
- 36 Disbursement is any decrease in fund resources._
- 37 Double-entry Accounting is a method of accounting that recognizes the duality of a transaction. Any
 38 change in one account also causes a change in another account._
- 39 Equipment shall be an article of ~~non-expendable~~nonexpendable, tangible personal property having a
 40 cost, which equals the lesser of the capitalization level established by the County Department of
 41 Social/Human Services~~county~~ for financial statement purposes, or \$5,000.00._

- 1 Estimated Revenues Account is a budgetary account that represents the total anticipated revenues
2 expected to be available during the fiscal year on a budgetary basis. _
- 3 Executive Director means the executive director of the Colorado Department of Health Care Policy and
4 Financing. _
- 5 Expenditures is a decrease in fund resources other than through inter-fund transfer. _
- 6 Federal Award means federal financial assistance and federal cost-reimbursement contracts that non-
7 federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. _
- 8 Federal Financial Assistance means assistance that non-federal entities receive or administer in the form
9 of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements,
10 interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not
11 include amounts received as reimbursement for services rendered to individuals as: _
- 12 1. ~~_____~~ Medicare payments (payments to a non-federal entity for providing patient care services to
13 Medicare eligible individuals), and _
- 14 2. ~~_____~~ Medicaid payments (payments to a sub-recipient for providing patient care services to Medicaid
15 eligible individuals) unless a state requires the funds to be treated as federal awards expended
16 because reimbursement is on a cost-reimbursement basis. _
- 17 Fiscal Year for a ~~County Department~~county department of ~~Social/Human Services~~social/human services
18 is the period covered by the ~~County Department~~county appropriations for ~~county~~social/human services
19 funds and shall be the calendar year, which coincides with the ~~County Department~~county fiscal year. The
20 fiscal year covered by the Colorado Department of Health Care Policy and Financing appropriations and
21 allocations to the counties shall be July through June. The fiscal year covered by the federal grants in aid
22 shall be October through September. Federal projects may cover fiscal years other than the federal fiscal
23 year and will be specified in the terms of the project. _
- 24 Fund is an accounting entity which owns assets and incurs liabilities. This means the social/human
25 services fund in each ~~County Department~~county must be accounted for separately from any other funds
26 in the ~~County Department~~county. The assets, including cash, must be identified as assets of this fund. _
- 27 General Ledger is a book or computer database that contains a full set of accounts. It should be in
28 balance at all times with aggregate debits equaling aggregate credits. _
- 29 Generally Accepted Accounting Principles (~~GAAP~~) has the meaning specified by the ~~Financial~~American
30 ~~Institute of Certified Public Accountants (AICPA). The AICPA Council has designated the Federal~~
31 Accounting Standards ~~Advisory~~Board (~~FASB~~). ~~The FASB is a private, non-profit organization standard-~~
32 ~~setting FASAB) as the body whose primary purpose is to establish and improve Generally Accepted~~
33 ~~Accounting Principles within the United States in the public's interest. that establishes generally accepted~~
34 ~~accounting principles for federal reporting entities.~~ They encompass a wide spectrum of accounting
35 guidelines, ranging from basic concepts and standards to detailed methods and procedures. The priority
36 sequence of sources that an entity should look to for accounting and reporting guidance is discussed in
37 the Statement of Federal Financial Accounting Standards (SFFAS) 34, *The Hierarchy of Generally*
38 *Accepted Accounting Principles for Federal Entities, Including the Application of Standards Issued by the*
39 *Financial Accounting Standards Board (2020), which is hereby,* incorporated by reference. _
- 40 Governmental Auditing Standards: The Comptroller General of the United States issues Generally
41 Accepted Governmental Auditing Standards. They are the standards for audits of governmental
42 organizations, programs, activities and functions, and of governmental assistance received by
43 contractors, nonprofit organizations and other nongovernmental organizations. They are more commonly
44 known as the "Yellow Book." _

1 HHS Financial Guidance is the US Department of Health and Human Services (HHS) 45 CFR Part 75
 2 Uniform Administrative Requirements, Cost Principles and Audit Requirements for HHS Awards,
 3 commonly referred to as the "HHS Uniform Guidance," which superseded requirements from OMB
 4 Circulars A-21, A-50, A-87, A-89, A-102, A-110, A- 122, and A-133.

5 Indirect Costs relate to a cost incurred that cannot be specifically and readily identified with a cost
 6 objective and therefore must be allocated on some basis of imputed benefit. Indirect costs are more
 7 commonly known as the costs of administration.

8 ~~Indirect Cost Rate Proposal means the documentation prepared by a governmental unit or component~~
 9 ~~thereof to substantiate its request for the establishment of an indirect cost rate as described in~~
 10 ~~Attachment E of Office of Management and Budget (OMB) Circular A-87 (revised 05/10/04) located at 2~~
 11 ~~GFR, Subtitle A, Chapter II, part 225, incorporated by reference.~~

12 Internal Control is a process affected by an entity's board of directors, management, and other personnel
 13 that is designed to provide reasonable assurance regarding the achievement of objectives in the following
 14 categories: a) reliability of financial reporting, b) effectiveness and efficiency of operations, and c)
 15 compliance with applicable laws and regulations.

16 The above definition reflects certain fundamental concepts as stated in the US Government
 17 Accountability Office Standards for Internal Controls in the Federal Government (the "Green book")
 18 revised September 2014:

- 19 1. ~~Internal controls are~~ control is a process. It is a means to an end, not an end in itself. People affect
 20 internal controls. It is not policy manuals and forms, but people at every level of an organization.
- 21 2. ~~Internal control can be expected to provide only reasonable, not absolute assurance, to an~~
 22 ~~entity's management and board.~~
- 23 3. ~~Internal Control comprises five interrelated components:~~
 - 24 a. ~~Control Environment: The people - their individual attributes, including integrity, ethical~~
 25 ~~values and competence - and the environment in which they operate. They are the~~
 26 ~~engine that drives the entity and the foundation on which everything rests.~~
 - 27 b. ~~Risk Assessment: Mechanisms that identify, analyze, and manage related business and~~
 28 ~~operating risks.~~
 - 29 c. ~~Control Activities: Control policies and procedures must be established and implemented~~
 30 ~~to help ensure that the actions identified by management as necessary to address risks~~
 31 ~~and obtain the specified goals are effectively carried out. Policies and procedures should~~
 32 ~~be reviewed on a periodic basis by management.~~
 - 33 d. ~~Information and Communication: Surrounding these activities are information and~~
 34 ~~communication systems. These enable the County Department ~~county department~~ of~~
 35 ~~Social/Human Services ~~social/human services~~ to capture and exchange the information~~
 36 ~~needed to conduct, manage and control their operations.~~
 - 37 e. ~~Monitoring: The entire process must be monitored and modifications made as~~
 38 ~~necessary.~~ ~~In this way, the system can react dynamically, changing as conditions~~
 39 ~~warrant.~~

40 Inventory means a physical identification and count and/or to provide a list of items.

41 Less-than-arms-length Transactions include, but are not limited to, those where one party is able to
 42 control or substantially influence the actions of the other.

- 1 Management Decision means the evaluation by the federal awarding agency or pass-through entity of the
2 audit findings and corrective action plan and the issuance of a written decision as to what corrective
3 action is necessary. _
- 4 Maintenance of Effort is a requirement that a ~~County Department~~county department of ~~Social/Human~~
5 ~~Services~~social/human services must maintain a specified level of financial effort in a specific area in order
6 to receive federal grant funds. _
- 7 Medical Assistance is defined in ~~section 25.5-1-103, C.R.S. -CRS (2007).~~
- 8 Medical Services Board means the state board authorized to act in accordance with the provisions of
9 Section 25.5-1-301, C.R.S. _
- 10 Member is a generic term for an individual or group of individuals who receives any assistance from the
11 County Department of Social/Human Services whether it is in the form of cash, non-cash or services.
- 12 Non-capital Expenditure is one that is less than \$5,000.00 (or a lesser threshold amount set by the
13 ~~County Department~~county department of ~~social/human services~~) or an operating expense not expected to
14 benefit future periods. _
- 15 Partisan refers to any election in which any one of the candidates for office is nominated or elected
16 representing a political party whose candidates for presidential election received votes at the last
17 preceding election at which presidential electors were selected. _
- 18 Pass-through Entity (~~PTE~~) ~~is~~means a non-federal entity that provides a ~~subaward~~federal award to one or
19 more subrecipients~~a sub-recipient~~ to carry out part of a federal program.
- 20 Payroll means a list of expenditures and/or disbursements that are similar in nature or object of
21 expenditure. An employee payroll listing wages, with the amounts due to each employee is an example of
22 a payroll. A listing of Old Age Pension benefits payable to eligible OAP ~~members~~electors is another type of
23 payroll. Such lists become vouchers when certified and approved. _
- 24 Personal Property is property such as machinery, equipment, or furniture that is not real property. _
- 25 Post-audit is the examination and verification of expenditures after reimbursement with State and/or
26 federal funds. _
- 27 Pre-audit is the examination and verification of expenditures before reimbursement with State and/or
28 federal funds. _
- 29 Program is a generic term for any "social services"_, "assistance payments"_, "payments under the
30 Colorado Medical Assistance Act"_, or a specific function or activity. _
- 31 Provider is any person, public or private institution, agency, or business concern enrolled under the state
32 Medical Assistance program to provide medical care, services, or goods and holding a current valid
33 license or certificate to provide such services or to dispense such goods. _
- 34 Questioned Cost means a cost that is questioned by an auditor because of an audit finding: (1) Which
35 resulted from a violation or possible violation of a provision of a law, regulation, contract, grant,
36 cooperative agreement, or other agreement or document governing the use of federal funds, including
37 funds used to match federal funds; (2) Where the costs, at the time of the audit, are not supported by
38 adequate documentation; or (3) Where the costs incurred appear unreasonable and do not reflect the
39 actions a prudent person would take in the circumstances. _
- 40 Random Moment Sampling is the federally approved cost allocation method that documents the efforts
41 expended in support of programs in order to receive reimbursement for the expenditures. _

- 1 Real Property is land and generally anything erected on, growing on, or attached to land, for instance, a
2 building.
- 3 Recipient Agency means a non-federal entity that expends federal awards received directly from a federal
4 awarding agency to carry out a federal program.
- 5 Recipient means any individual or group of individuals who is receiving or has received benefits from
6 programs of ~~Medical Assistance~~ ~~medical assistance~~ administered or supervised by the Colorado
7 Department of Health Care Policy and Financing, in accordance with the provisions of Section 25.5-4-103
8 (21), C.R.S.
- 9 Regulation is a rule or order issued by an executive authority or regulatory agency of a government and
10 having the force of law.
- 11 Reimbursable Expenditures are supported in whole or in part by State general fund, federal (Pass
12 Through) or a combination of State and federal money.
- 13 Revenue Expenditure is one that benefits only the current year and is treated as an expense to be
14 matched against revenue; it is less than \$5,000.00 or a lesser amount established by the ~~County~~
15 ~~Department~~ ~~county~~ and the expenditure is not for land, a building or a permanent part of a building and
16 does not lose its identity through incorporation into a more complex unit.
- 17 Rule is an agency statement of general applicability and future effect implementing, interpreting, or
18 declaring law or policy or setting forth the procedure or practice requirements of any agency. Rule
19 includes ~~R~~regulation.
- 20 Social/Human Services Fund is a fiscal and accounting entity with a self-balancing set of accounts
21 recording cash and other financial resources, together with all related liabilities and residual equities or
22 balances, and changes therein, which are segregated for the purpose of carrying on specific activities or
23 attaining certain objectives in accordance with special regulations, restrictions, or limitations.
- 24 Social Services are services and payments for services available, directly or indirectly, through the
25 ~~County Department~~ ~~county departments of social/human services~~ or through State designated agencies,
26 where applicable, for the benefit of eligible persons.
- 27 State Department means the Colorado Department of Health Care Policy and Financing.
- 28 Subrecipient means a non-federal entity that expends federal awards received from a pass-through entity
29 to carry out a federal program, but does not include an individual that is a beneficiary of such a program.
30 A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.
31 Guidance on distinguishing between a subrecipient and a ~~contractor~~ ~~vendor~~ is provided in ~~the~~ Office of
32 Management and Budget's (OMB) ~~Uniform Administrative Requirements, Cost Principles~~ ~~Circular A-133,~~
33 ~~Audits of States, Local Governments~~ and ~~Audit Requirements for Federal Awards §200.330 and US~~
34 ~~Department of Health and Human Services 45 CFR Part75 - Uniform Administrative Requirements , Cost~~
35 ~~Principles and Audit Requirements for HHS Awards § 75.351 . Non-profit Organizations.~~
- 36 Subaward is an award provided by the pass through entity to a subrecipient for the purpose of carrying
37 out part of a federal award received by the pass through entity. A subaward does not include payments to
38 a contractor or payments to an individual that is a beneficiary of a federal program. The form of
39 agreement for a subaward is a grant (2CFR §200.92 and 45 CFR 75).
- 40 ~~OMB Circular A-133 was issued pursuant to the Single Audit Act of 1984, P.L. 98-502, and the~~
41 ~~Single Audit Act Amendments of 1996, P.L. 104-156, incorporated by reference.~~

1 Training Function is a meeting, conference, or other function which is held to enhance staff knowledge or
 2 to educate customers of the ~~County Department~~~~county~~ that are affected by the ~~County Department~~~~county~~
 3 ~~department of social/human services'~~ operations or regulations._

4 Transportation is travel by commercial airline, railroad, bus, taxicab, ~~County Department~~~~county~~-owned, or
 5 personally-owned automobile or any other means of conveyance._

6 Trial Balance is a list of all open accounts in a ledger and their balances. The debits and credits should be
 7 in balance at all times. It provides a summary that can be used in making later adjusting and closing
 8 entries before financial statements are prepared._

9 Trust Accounts may result from activity of a foster care, child support enforcement, adult protective or any
 10 other activity when a ~~County Department~~~~county~~ ~~department of social/human services~~ employee is given
 11 the responsibility as representative payee for a ~~member's~~~~client's~~ financial affairs. Trust account funds
 12 typically come from a ~~member's~~~~client's~~ income from SSA, SSI, Railroad Retirement, Veteran's Affairs,
 13 court ordered lump sum settlements, or child support enforcement activities. Trust accounts maintained
 14 by the ~~County Department~~~~county~~ ~~departments of social/human service~~ imply a high degree of fiduciary
 15 responsibility.

16 **Vendor generically means a dealer, distributor, merchant, or other seller providing goods or**
 17 **services that are required for the conduct of a federal program. These goods or services**
 18 **may be for an organization's own use or for the use of beneficiaries of the federal**
 19 **program. Additional guidance on distinguishing between a subrecipient and a vendor is**
 20 **provided in Office of Management and Budget (OMB) Circular [A133A-133](#), Audits of States,**
 21 **Local Governments and Non-Profit Organizations.g**

22 **1.010.2 ——— Purpose and Scope_**

23 These rules are the fiscal rules for ~~County Departments~~~~county~~ ~~departments of social/human services~~
 24 concerning ~~Medical Assistance~~~~medical assistance~~ and the administration of that assistance including but
 25 not limited to internal controls, financial reporting, accounting and auditing._

26 The Colorado Department of Health Care Policy and Financing's Finance and Accounting Manual
 27 consists entirely of Executive Director rules as allowed by [Section 25.5-1-108](#), C.R.S._

28 **1.010.3 ——— Board of County Commissioners_**

29 **1. ——— Board of County Commissioners Responsible for Appropriating Twenty Percent Share_**

30 As per Section 25.5-4-206 C.R.S., the board of county commissioners ~~for~~ each ~~County~~
 31 ~~Department~~~~county of Colorado or department or agency responsible for administering medical~~
 32 ~~assistance and related activities~~ shall annually appropriate as provided by law the funds
 33 necessary to defray the ~~County Department~~~~county~~ ~~department of social/human services'~~ twenty
 34 percent share of the overall cost of ~~Medical Assistance~~~~medical assistance~~ administration and
 35 related activities delivered in the county, including the costs allocated to the administration of
 36 each, and shall include in the tax levy the funds appropriated for that purpose. Such appropriation
 37 shall be based upon the ~~County Department~~~~county~~ ~~department of social/human services'~~ budget
 38 prepared by the ~~County Department Director.~~ ~~county department of social/human services'~~
 39 ~~director.~~

40 **2. ——— Board of County Commissioners Responsible for Availability of Twenty Percent Share_**

41 Additional funds shall be made available by the board of county commissioners if the ~~County~~
 42 ~~Department~~~~county~~ funds so appropriated prove insufficient to defray the ~~County~~

~~Department~~ ~~county department of social/human services'~~ twenty percent share of actual costs for ~~Medical Assistance~~ ~~medical assistance~~ administration.

3. ~~Approval of the County Department of Social/Human Services Budget~~

The board of county commissioners approves the final ~~County Department~~ ~~county department of social/human services'~~ budget and makes a ~~County Department~~ ~~county department of social/human services'~~ levy to provide the necessary money to defray the local share of amounts appropriated for administration of ~~Medical Assistance~~ ~~medical assistance~~ payments and the administration of the ~~County Department~~ ~~county department of social/human services~~.

4. ~~Send a Copy of the Approved Budget to the Colorado Department of Health Care Policy and Financing~~

~~A~~ ~~One~~ copy of the Approved final budget shall be submitted to the Colorado Department of Health Care Policy and Financing, ~~Audits Section, 1570 Grant St., Denver, CO 80203-1818 or submitted~~ electronically to ~~HCPFAudit@hcpf.state.co.us~~ ~~HCPFAudit@hcpf.state.co.us~~ as soon as the budget is approved or by January 1 of each year, whichever date is earlier.

5. ~~Approval of the County Merit System Plan~~

On or before January 1 of each year, the board of county commissioners shall submit to the Colorado Department of Health Care Policy and Financing a certification that the ~~County Department~~ ~~county~~ merit system is in conformity with Code of Colorado Regulations, 9 CCR 2502-1, Volume 2 (2021), which is hereby incorporated by reference.

6. ~~Liability Insurance~~

The board of county commissioners shall purchase insurance for its officers, employees and agents that protects them against any liability for injuries or damages resulting from their negligence or other tortuous conduct during the course of their service or employment. The board of county commissioners can, in writing, assume the risk and the financial responsibility of a reasonable deductible.

7. ~~Surety Bond~~

A surety bond shall be purchased for the ~~County Department Director~~ ~~county social/human services' director~~ and other social/human services' employees, who receive, disburse, handle or have access to currency, checks, money orders, and warrants. The bond shall be in favor of the ~~County Department~~ ~~county department of social/human services~~ and be the greater of \$10,000 or 15% of the maximum value of cash and or cash-like items the ~~County Department Director and employees have~~ ~~employee has~~ access to during a year. The Board of County Commissioners can, in writing, assume the risk and the financial responsibility of a reasonable deductible. This bonding requirement applies to any contractual employees having the same responsibilities.

1.010.4 ~~Financial Responsibilities of the County Board of Social/Human Services~~

1. ~~Membership Consists of County Board of Commissioners~~

~~The county board of social/human services shall consist of the board of county commissioners in each county; except that "board of county commissioners" as used in this title, in the City and County of Denver, means the department or agency with the responsibility for medical assistance activities, and, in the City and County of Broomfield,~~

1 ~~means the department or agency with the responsibility for medical assistance and related~~
 2 ~~activities.~~

3 ~~2. County Board of Social/Human Services are Separate from County Commissioners~~

4 ~~The county board of social/human services shall perform its medical assistance duties,~~
 5 ~~responsibilities, and activities separate and apart from the duties and responsibilities of the board~~
 6 ~~of county commissioners and in accordance with rules and regulations adopted by the Colorado~~
 7 ~~Department Director of Health Care Policy and Financing for the administration of medical~~
 8 ~~assistance activities in the counties.~~

9 ~~3. Cooperation and Reporting~~

10 ~~The county department of social/human services shall cooperate with the State and federal~~
 11 ~~government in any reasonable manner, in conformity with the laws of the State, which may be~~
 12 ~~necessary to qualify for federal aid, including the preparation of plans, making reports in such~~
 13 ~~form and containing such information as any federal agency may require from time to time, and~~
 14 ~~compliance with such provisions as the federal government may from time to time find necessary~~
 15 ~~to assure correctness and verification of the reports.~~

16 ~~4. County Board of Social/Human Services Responsibilities~~

17 ~~a. Appoint a County Department of Social/Human Services Director~~

18 ~~The county board of social/human services shall appoint a county department of~~
 19 ~~social/human services director or shall appoint someone acting in the capacity of a~~
 20 ~~director. At no time will the county social/human services department be without the~~
 21 ~~services of a director or an acting director.~~

22 ~~b. Sign All Warrants~~

23 ~~One member of the county board of social/human services shall sign all warrants or one~~
 24 ~~member of the county board of social/human services shall have their facsimile signature~~
 25 ~~on all social/human services warrants. In the case of a facsimile signature there shall be~~
 26 ~~detailed written procedures that set forth internal administrative controls and internal~~
 27 ~~accounting controls surrounding the application of the facsimile signature.1.~~

28 ~~c. Approve All Expenditures~~

29 ~~One member of the county board of social/human services, who shall be designated by~~
 30 ~~resolution for that purpose, shall review and approve in writing the expenditure of salaries~~
 31 ~~and expenses prior to the disbursement of funds. Such written approvals shall indicate~~
 32 ~~the approval of the board of county commissioners and the county board of social/human~~
 33 ~~services.~~

34 ~~d. Financial Statements~~

35 ~~The county board of social/human services is ultimately responsible for the preparation,~~
 36 ~~content, completion and/or distribution of materially correct financial statements of the~~
 37 ~~social/human services fund prepared by county department staff, or outside entities.~~

38 ~~1.010.5 County Department of Social/Human Services Director~~

39 ~~1. Secretary to the County Board of Social/Human Services~~

1 ~~The county social/human services director shall serve as secretary to the county board of~~
 2 ~~social/human services, unless the county board of social/human services otherwise appoints a~~
 3 ~~secretary.~~

4 ~~2. General Duties of the Director~~

5 ~~a. Director Responsibilities~~

6 ~~The county social/human services director shall be charged with the executive and~~
 7 ~~administrative duties and responsibilities of the county department of social/human~~
 8 ~~services, subject to the policies, rules, and regulations of the Colorado Department of~~
 9 ~~Health Care Policy and Financing.~~

10 ~~b. Responsibility For Staffing~~

11 ~~The county social/human services director, with the approval of the county board of~~
 12 ~~social/human services, shall appoint such staff as may be necessary to administer~~
 13 ~~medical assistance within the county. Such staff shall be appointed and shall serve in~~
 14 ~~accordance with a merit system for the selection, retention, and promotion of county~~
 15 ~~department of social/human services employees as described in the county merit system.~~
 16 ~~The salaries of the members of such staff shall be fixed in accordance with the rules and~~
 17 ~~salary schedules prescribed by the county merit system. The county merit system shall~~
 18 ~~conform to the Code of Colorado Regulations, 9 CCR 2502-1, incorporated by reference.~~

19 ~~c. Responsibilities for Administrative Internal Control and Accounting Internal Control~~

20 ~~The county director shall be responsible for organizing staff functions to assure adequate~~
 21 ~~control and safeguards for all cash, fixed assets and negotiable items (cash, bonds,~~
 22 ~~securities, etc.) handled by, stored in or used in the county department of social/human~~
 23 ~~services, and to establish appropriate internal controls and separation of duties.~~

24 ~~i) Internal control activities include, but are not limited to, reviews by director or~~
 25 ~~high level financial staff member of actual performance, controls over information~~
 26 ~~processing, physical control over vulnerable assets, establishment and review of~~
 27 ~~performance measures and indicators, segregation of duties, proper execution of~~
 28 ~~transactions, accurate and timely recording of transactions, and access~~
 29 ~~restrictions to and accountability for resources and records.~~

30 ~~d. Responsibility for Internal Control on Trust Accounts~~

31 ~~i) Signatures Required~~

32 ~~Internal control on trust accounts or other funds entrusted or maintained for~~
 33 ~~others outside the county department of social/human services shall require at~~
 34 ~~least two signatures, one of which is to be the county social/human services~~
 35 ~~director or designee of the county director, for making withdrawals from savings~~
 36 ~~accounts, checking accounts or for the sale of, or redemption of bonds or other~~
 37 ~~securities.~~

38 ~~ii) High Degree of Fiduciary Responsibility~~

39 ~~Trust accounts require a high degree of fiduciary responsibility. The county~~
 40 ~~department of social/human services director is responsible for every trust~~
 41 ~~account transaction.~~

42 ~~e. Responsibility for Record Retention~~

1 The county social/human services director shall assure that the county department of
 2 social/human services has available all necessary and complete records for audit
 3 purposes and that adequate prior years' expenditure documents are maintained for use
 4 in the budgeting process.

5 ~~3. Budgetary Responsibility~~

6 ~~a. Budget Preparation~~

7 ~~As part of the county budget, the county director shall prepare a county department of~~
 8 ~~social/human services budget and submit this to the county board of social/human~~
 9 ~~services for approval.~~

10 ~~b. Annual Budgets~~

11 ~~The county social/human services director shall be responsible for estimating future~~
 12 ~~needs of the county department of social/human services as accurately as possible,~~
 13 ~~utilizing all available data, including economic and census forecasts. The estimates are to~~
 14 ~~be supported by documentation and a narrative supporting the budget. The budget shall~~
 15 ~~estimate revenues from all sources based on the most current information. County~~
 16 ~~department of social/human services revenue shall be sufficient to maintain an~~
 17 ~~appropriate surplus from year to year. The county director is responsible for initiating~~
 18 ~~requests to the county board of social/human services for changes in the county~~
 19 ~~department of social/human services budget.~~

20 ~~c. Distribution of the Budget~~

21 ~~The county director shall submit the original budget request to the county board of~~
 22 ~~social/human services and as many copies as it may need. One copy shall be submitted~~
 23 ~~to the Colorado Department of Health Care Policy and Financing, Audits Section, Denver~~
 24 ~~CO 80203-1818 and the county department of social/human services shall retain two~~
 25 ~~copies. The budget shall be submitted to the board of county commissioners no later than~~
 26 ~~October 15 of each year.~~

27 ~~d. Spending Within Budgeted Appropriations~~

28 ~~The county director shall be responsible for assuring that expenditures do not exceed~~
 29 ~~appropriations and for controlling the county fund balance at all times.~~

30 ~~e. Monthly Budget Reports to Commissioners~~

31 ~~The county director shall be responsible for timely submitting monthly reports to the~~
 32 ~~board of county commissioners concerning:~~

33 ~~i) A budget report containing a comparison of calendar year-to-date expenditures~~
 34 ~~to calendar year-to-date county appropriations,~~

35 ~~ii) A budget report containing a comparison of calendar year-to-date earned~~
 36 ~~revenues to calendar year-to-date county estimated revenues,~~

37 ~~iii) A budget report containing a comparison of State fiscal year-to-date expenditures~~
 38 ~~to State fiscal year-to-date allocations from the Colorado Department of Health~~
 39 ~~Care Policy and Financing, and~~

40 ~~iv) Interim Balance Sheet and Statement of Net Assets.~~

41 ~~f. Budget Revisions~~

~~The county director shall be responsible for initiating requests to the county board of social/human services for changes in the county department of social/human services budget.~~

4. ~~Payroll and Expenses Responsibility~~

a. ~~Payroll and Expenses Certification~~

Each month the ~~County Department Director~~~~county social/human services director~~ or designee shall certify by signature all payrolls and each expense voucher for the issuance of warrants.

b. ~~Certified Payrolls of Salaries and Expenses Presented to the County Board of Social/Human Services~~

The ~~County Department Director~~~~county social/human services director~~ shall present to the ~~County Board~~~~county board of social/human services~~ the certified payrolls for salaries and expenses authorizations that have been certified.

c. ~~Certification Description~~

A description of the certification process for issuance of warrants for the ~~County Department~~~~county social/human services~~ fund and a copy of each certificate shall be available for audit purposes.

2.5. ~~Responsible for Overseeing the Maintenance of the Accounting System~~

The ~~County Department Director~~~~county social/human services director~~ shall be responsible for overseeing the maintenance of the ~~County Department~~~~county department of social/human services~~ accounting system.

a. ~~Financial Reports Follow Generally Accepted Governmental Accounting Principles~~

Each monthly reporting period shall be regarded as an integral part of the fiscal year. Revenues shall be allocated to monthly reporting periods in accordance with generally accepted governmental accounting principles. Expenditures, such as salaries and operating expenditures, shall be allocated to interim periods in which they were incurred. Arbitrary assignment to a monthly period shall not be allowed. The ~~County Department Director~~~~county social/human services director~~ shall submit these monthly reports to the ~~County Board~~~~county board of social/human services~~ within 60 calendar days of the end of each month.

b. ~~Financial Reports Come from the~~~~From The~~ General Ledger

~~The County Department~~~~The county department of social/human services~~ general ledger and supporting systems to the general ledger shall be the system used to record the ~~County Department of~~~~county department of social/human services~~ financial information and the system from which standard reports shall be prepared and forwarded to the ~~County Board of Social/Human Services.~~~~county board of social/human services.~~

c. ~~Monthly Financial Reports~~

Pursuant to section 1.010.5(3)(e) of these rules, the ~~County Department Director~~~~county social/human services director~~ shall be responsible for submitting monthly financial reports to the board of ~~County Department~~~~county~~ commissioners. These financial reports

shall be available for use by County Department~~county~~ executive management, and their respective staffs for planning purposes and decision-making.

d. ~~Annual Financial Statements~~

The County Department Director~~The county social/human services director~~ shall be responsible for generating un-audited annual financial statements fully disclosing the financial position of the social/human services fund by March 1 of the subsequent fiscal year.

3. Federal Compliance on Pass Through Funds The County Departments are responsible

~~6. Reporting Period for administering federal Submissions to the Colorado Department of Health Care Policy and Financing~~

~~Pertaining to administration of Colorado Department of Health Care Policy and Financing programs that involve contracts, grants, block grants, and other agreements and, the county social/human services director shall comply with report to the applicable federal Department at such times and state laws in such manner and regulations even though the funds were passed through form as the Department may from time to time direct. The routine reporting period from the county to the Colorado Department of Health Care Policy and Financing is a calendar month. The Audit Section Manager of the Colorado Department of Health Care Policy and Financing shall determine the date required to submit financial data for each reporting cycle.~~

1.010.5 6 County Treasurer

~~1. County Treasurer Shall Act As Custodian~~

The County Department~~county~~ treasurer shall be the treasurer and custodian of the social/human services fund and shall disburse money from the fund only upon distinct County Department~~county social/human services~~ warrants drawn by the person duly appointed by the County Board. ~~county board of social/human services.~~

~~2. Monthly County Treasurer's Reports~~

The County Department~~county~~ treasurer, or County Department~~county~~ entity acting as the County Department~~county~~ treasurer, shall prepare a monthly report which indicates a beginning balance of cash, the amount of monies deposited into the social/human services fund each month, the warrants redeemed by the treasurer or designated redemption entity each month, and an ending cash balance. Alternate forms of tracking the monthly amounts of cash through a redemption entity are also accepted. One example of this is the use of a zero balance account(s) where the balance of this account(s) at any point in time is the amount of unredeemed warrants.

~~3. No County Treasurer's Fee for Social/Human Services Fund~~

The County Department~~county~~ treasurer, or County Department~~county~~ entity acting as the County Department~~county~~ treasurer, shall not collect any fee for the collection or deposit of any monies into the County Department~~county social/human services~~ fund.

1.010.6 7 Accounting Systems, Internal Control, Bids, Allocations and Reporting~~1.010.7.A Chart of Accounts~~

A chart of account numbering system shall reflect the order of the Statement of Net Assets/Balance Sheet and Statement of Activity/Statement of Revenues and Expenditures accounts. The numbering shall start with the accounts that go into current assets, the first section of ~~the your~~ balance sheet, and end with the last category of expenses in ~~the your~~ income statement.

1 **1.010.7. ~~B.~~ General Ledger**

2 1. ~~Double-Entry General Ledger~~

3 Each ~~County Department~~county's social/human services fund shall maintain a double-entry
4 general ledger system that is the basis for the accounting system and for financial reporting. The
5 general ledger shall be the location in which all of the active accounts are collected.

6 2. ~~General Ledger in Balance~~

7 The general ledger shall be in balance at all times, with aggregate debits equaling aggregate
8 credits.

9 3. ~~Experienced Staff to Maintain the Accounting System~~

10 Only ~~County Department~~county staff experienced in bookkeeping and accounting shall maintain
11 the accounting system for the social/human services fund.

12 4. ~~Subsidiary Journals~~

13 Subsidiary journals shall be maintained to support the general ledger. The supporting journals at
14 a minimum shall be the general journal, cash receipts journal, cash disbursements journal,
15 earned revenue journal, electronic benefits authorized journal, and an accounts receivable
16 journal. In an automated accounting system these journals may consist of a distinct code for each
17 type of journal:

18 a. ~~Accounts Receivable Journal~~

19 Colorado Department of Human Services automated accounts receivable systems may
20 be used as a subsidiary journal but only if appropriate internal controls are in place at the
21 ~~County Department of Social/Human Services~~county level for the operation and
22 maintenance of these systems.

23 b. ~~Cash Disbursement Journal~~

24 The warrants issued by the ~~County Department~~county department of social/human
25 services shall be recorded in the cash disbursement journal in a manner that distinctions
26 shall be shown for administration, specific programs, and those warrant issues which are
27 returns or refunds or other accounts payable transactions.

28 5. ~~Postings Are to Be Current~~

29 The accounting system shall be kept current. Each month's transactions shall be recorded to the
30 general ledger as soon as possible after all information is received concerning receipts,
31 expenditures, disbursements, electronic benefit authorizations, actual revenue, and estimated
32 revenue, for a month.

33 6. ~~Budgetary Accounts~~

34 The budget amounts for each calendar year shall be entered in the ~~County Department~~county
35 ~~department of social/human services~~ general ledger or budget system used by the ~~County~~
36 ~~Department~~county. The amounts noted shall reflect the final budget as approved by the Board of
37 County Commissioners or other governing body with authority to approve the budget. If the
38 budget is subsequently revised, the amounts by program shall be posted to the appropriation and
39 estimated revenue accounts.

40 **1.010.8. ~~7.C.~~ Financial Statement Reporting**

1. ~~in~~ Accordance ~~w~~With Generally Accepted Governmental Accounting Principles

Financial statements shall be prepared in accordance with generally accepted governmental accounting principles.

2. Reflect All Financial Activities

Financial statements shall reflect all of the financial activities of the County Department. ~~county department of social/human services.~~

3. Additional Financial Reports

Additional reports to fully disclose the operations of the County Department~~county department of social/human services~~ shall be tailored to meet the County Department's~~county department of social/human service's~~ needs and enhance the ability to make timely and accurate decisions. Reports shall include but are not limited to such items as: comparison of budget to actual for programs or organizational units; efficiencies and economies in operations; and the results of specific programs and activities, as reflected in accomplishments, benefits, and effectiveness; and compliance with grant requirements and administrative policies.

1.010.9.7.D. Internal Control

1. Personnel Responsible for Internal Accounting and Administrative Controls

The County Board, the County Department Director, County Department~~The county board of social/human services, the county social/human services director, county social/human services'~~ managers and supervisors, and employees are all responsible for the internal accounting and administrative control processes within and surrounding the County Department. ~~county department of social/human services.~~

a. Signature Authority

The County Department~~department of social/human services~~ shall identify those persons authorized to sign or approve specific documents for another person. The County Department Director~~county department of social/human services director~~ shall approve of such listings that shall contain the name(s) and ~~manual~~ signature image(s) of those persons delegated signature authority.

b. Adequate and Appropriate Personnel

There shall be personnel of quality, integrity, and experience commensurate with their assigned responsibilities.

c. Access to Assets

There shall be restrictions permitting access to assets only by authorized persons in the performance of their assigned duties.

2. Written Plan of Accounting Controls and Administrative Controls

A written plan of accounting controls and administrative controls shall be on file at the County Department.~~county department of social/human services.~~ This plan shall reflect the current operations of the County Department~~county department of social/human services~~ and shall provide for but not be limited to the following:

a. Accounting and Administrative Procedures

1 There shall be adequate authorization and procedures to provide effective accounting
2 control over assets, liabilities, revenues, and expenditures._

3 b. ~~_____~~ Continuous Review of the Plan of Internal Accounting and Administrative Controls_

4 There shall be an effective process of internal review and adjustment for changes in
5 operating conditions._

6 c. ~~_____~~ Purchasing or Procurement Cards (P-Cards)_

7 The ~~County Department Director~~director is responsible for establishing and maintaining
8 written department-specific P-Card program policies and procedures that include, but are
9 not limited to, purchasing approvals, accounting controls, cardholder compliance and
10 training for employees participating in the P-Card program._

11 3. ~~_____~~ Separation of Duties_

12 There shall be internal control procedures that include the appropriate separation of duties such
13 as, but not limited to the following:_

14 a. ~~_____~~ Separation of Duties for the Receipt and Recording of Cash_

15 The same employee shall not receive cash, record the receipt, deposit the funds, and
16 make journal and/or ledger entries for cash._

17 b. ~~_____~~ Separation of Duties for the Receipt of Negotiable Items and the Control of Negotiable
18 Items_

19 The same employee shall not receive negotiable items, dispense these items and control
20 the repository and the inventory of them._

21 c. ~~_____~~ Separation of Duties, Ordering and Paying for Goods and Services_

22 The same employee shall not order, receive, and process payment for goods and/or
23 services. Orders for goods and/or services are to be approved in writing by the County
24 ~~Department Director~~county director or the director's designee prior to placing such
25 orders. There shall be written approval from the director or the director's designee prior to
26 payment being made for goods and services received._

27 d. ~~_____~~ Security for Computer Systems

28 ~~There shall be sufficient security to safeguard computer hardware, equipment and~~
29 ~~resources, and to prevent actual and/or potential loss of physical resources. The county~~
30 ~~department of social/human services is responsible to develop, define, recommend,~~
31 ~~establish, implement, review, maintain, and enforce policies and procedures relating to~~
32 ~~physical access to computer hardware, servers, PCs, workstations, terminals, printers,~~
33 ~~and other equipment physically located at the county department. Confidentiality of data~~
34 ~~shall follow the guidance of section 1.010.8.F of these rules.~~

35 4. ~~_____~~ Effectiveness and Efficiency of Operations_

36 There shall be an appropriate balance between accounting controls and administrative controls,
37 and the effectiveness and efficiency of operations._

38 5. ~~_____~~ Reliable Financial Reporting_

39 There shall be systems in place for the accurate and timely compilation of financial reports._

6. ~~Compliance with Applicable Laws and Regulations~~

There shall be a review process to ensure compliance with the many and varied laws, rules and regulations that are included with the administration of federal grants.

7. ~~Record Retention~~

~~Medical assistance data of any form shall be retained for the current year, plus three previous years unless:~~

a. ~~There is a written statutory requirement, rule, or regulation available from a county, state or federal agency requiring a longer retention period; or,~~

b. ~~There has been a claim, audit, negotiation, litigation or other action started before the expiration of the three-year period.~~

8. ~~Official Receipts~~

a. ~~Consecutively Numbered Receipt Book~~

County ~~Departments~~~~departments of social/human services~~ shall maintain manual or automated receipt books with receipts numbered consecutively. Manual receipt books shall be pre-numbered.

b. ~~Mail Listing of All Negotiable Items~~

There shall be a listing at the point the mail is opened for all negotiable receipts. This mail listing shall be prepared by the person opening the mail and by someone other than the bookkeeper/accountant.

c. ~~Restrictively Endorsed Negotiable Items~~

Each ~~County Department~~~~county~~ shall have a restrictive endorsement stamp and each negotiable item shall be immediately stamped with a restrictive endorsement at the point the mail is opened.

d. ~~Separation of Duties for Mail List Preparation and Receipt Writing~~

The preparation of the mail and the writing of receipts, whether automated or manual shall be performed by different people. If possible, the monies shall be sent to another person for preparation of the deposit.

9. ~~Deposit of All Cash~~

All cash or negotiable items made payable to the ~~County Department~~~~county department of social/human services~~ shall be deposited directly into the ~~department of~~ social/human services fund.

a. ~~Daily Deposit of All Cash Totaling \$5400 or More~~

Monies shall be deposited daily unless the total amount received is less than \$5400.00. Once the cumulative amount of monies received equals \$5400 or more, it shall be deposited no later than the next business day. Sufficient security shall be provided to secure cash and negotiable items against theft or loss.

b. ~~Cash Receipts Shall Equal Cash Deposits~~

The cash receipt total shall be the same as the amount deposited.

1 c. ~~_____~~ Reconcile the Mail List to the Receipts to the Deposits.

2 At least at the end of each month, the mail listing and the listing of receipts shall be
3 reconciled with the amount deposited and any differences shall be noted and reconciled.

4 d. ~~_____~~ Identification of Cash Receipts

5 At a minimum, cash receipts shall include information to distinguish Colorado Department
6 of Health Care Policy and Financing remittances, ~~County Department~~ county revenues,
7 plus receipts from individuals, vendors, and other sources.

8 e. ~~_____~~ Maintain a Cash Receipts Journal

9 ~~The County Department~~ ~~The county department of social/human services~~ shall record the
10 monies received for deposit into the social/human services fund on a cash receipts
11 journal. The cash receipts journal shall record the receipt transactions for a calendar
12 month.

13 f. ~~_____~~ Receipt of Negotiable Items Not Made Payable to the County Department ~~of~~
14 ~~Social/Human Services~~

15 If the ~~County Department~~ ~~county department of social/human services~~ must accept
16 negotiable items made payable to others, the ~~County Department~~ ~~county department of~~
17 ~~social/human services~~ shall initiate a procedure to record the ~~County Department~~ ~~county~~
18 ~~department of social/human services~~ receipt of the negotiable item, the amount of the
19 negotiable item, the sender, the payee, the reason the transaction must be handled in
20 this way, and the date the negotiable item was forwarded to the payee. All available
21 methods to eliminate or minimize these transactions shall be undertaken by the ~~County~~
22 ~~Department.~~ ~~county department of social/human services.~~

23 **1.010.10.** ~~_____~~ Bid System

24 **1. a.** ~~_____~~ Threshold for Utilizing a Bid System

25 ~~A County Department~~ ~~A county department of social/human services~~ that purchases at one time,
26 supplies, equipment, personal property, or personal services in excess of \$25,000.00 shall use a
27 formal advertising and bidding process to provide, to the maximum extent practicable, open and
28 free competition. If a ~~County Department~~ ~~county department of social/human services~~ is unable to
29 use this process, written justification shall be available at that ~~County Department~~ ~~county~~
30 ~~department of social/human services~~ giving the facts related to the purchase and the inability to
31 advertise and seek bids.

32 **a. i.)** ~~_____~~ Groups of Items Totaling \$25,000 or More

33 Purchases, including a group of items or services from one vendor, at one time, that
34 equals or exceeds \$25,000.00 are defined as a purchase of one item or service.

35 **2. 11.** ~~_____~~ Reporting to the Colorado Department of Health Care Policy and Financing

36 **a.** ~~_____~~ Required Use of Statewide Automated Systems

37 ~~County departments of social/human services shall use the State of Colorado automated~~
38 ~~statewide client and/or provider information systems. These systems are designed to~~
39 ~~collect and store program data; assist with eligibility and payment determinations;~~
40 ~~generate forms and reports; create electronic benefit authorizations; and add to, delete,~~
41 ~~or make changes to the information on file.~~

1 ~~b.~~ Reconciliation of County Information with Statewide ~~Financial~~ Automated Systems

2 ~~The County Department~~~~department of social/human services~~ reimbursement or billing will be
3 based on the information that is transmitted by these statewide-automated tracking systems to
4 the Colorado Department of Human Services financial reporting system. ~~The County~~
5 ~~Departments~~~~departments of social/human services~~ shall reconcile their own information with the
6 expenditures, reimbursements, and billing information documented in the statewide automated
7 tracking systems and the State financial reporting system.

8 ~~3. e.~~ Correct Coding of Information

9 ~~The County Departments~~~~departments of social/human services~~ shall correctly code all
10 information reported to the Colorado Department of Human Services and the Department of
11 Health Care Policy and Financing. These codes determine whether the expenditure falls within
12 budgetary allocations, disregards budgetary maximums or is a special project.

13 ~~a. i.)~~ Reimbursable and Non-Reimbursable Costs

14 Some costs have a reimbursable portion and a non-reimbursable portion. ~~The County~~
15 ~~Department~~~~department of social/human services~~ shall split and appropriately code these
16 costs for reporting in the County Financial Management System.

17 ~~4. d.~~ Reporting of Refunds

18 All refunds collected for previously reimbursed expenditures shall be reported in the County
19 Financial Management System. This reporting shall follow the procedures of the statewide
20 automated tracking systems and/or the financial reporting systems.

21 ~~5. e.~~ Over-collections

22 If the ~~County Department~~~~county department of social/human services~~ collects more money from
23 a payer than the amount established as due, a ~~County Department~~~~county~~ warrant shall be issued
24 to the payer to repay this over-collection within 10 business days of determining the over-
25 collection.

26 **~~1.010.11. 7.E.~~ Balance Sheet Accounts**

27 ~~1.~~ Social/Human Services Fund

28 A fund to be known as the ~~county~~ social/human services fund shall be established and
29 maintained in each of the counties of the State of Colorado.

30 ~~a.~~ Separate from Other Funds

31 The social/human services fund in each ~~County Department~~~~county~~ shall be accounted for
32 separately from any other funds in the ~~County Department~~~~county~~ so that the cash
33 balance in the ~~county~~ social/human services fund can be determined at all times.

34 ~~b.~~ Special Revenue Fund

35 The ~~county~~ social/human services fund shall be maintained as a special revenue fund
36 and used to account for the proceeds of specific revenue sources that are legally
37 restricted to expenditures for specified purposes.

38
39 ~~c.~~ Includes All Medical Assistance

1 The ~~county~~ social/human services fund shall include all money appropriated by the board
 2 of county commissioners for Medical Assistance~~medical assistance~~ administration and
 3 related purposes.

4 d. ~~_____~~ Includes All Colorado Department of Health Care Policy and Financing and Federal
 5 Funds.

6 The ~~county~~ social/human services fund shall include all moneys allotted, allocated, or
 7 apportioned to the County ~~county by the Colorado~~ Department by the State
 8 Department of Health Care Policy and Financing. These funds are granted by the State
 9 of Colorado and by the federal government for Medical Assistance~~medical assistance~~
 10 administration and related purposes and paid to the County Department ~~county~~ by the
 11 State~~Colorado~~ Department of Health Care Policy and Financing.

12 e. ~~_____~~ Composition of the Social/Human Services Fund

13 The fund consists of:

14 i) ~~_____~~ Assets.

15 ii) ~~_____~~ Liabilities.

16 iii) ~~_____~~ Approved ~~b~~Budget, and

17 iv) ~~_____~~ Fund ~~b~~Balance (surplus or deficit of local revenues, both current and prior year).

18 2. ~~_____~~ Cash, Warrants and Electronic Benefits Authorized

19 a. ~~_____~~ Cash Reconciliation(s)

20 i) ~~_____~~ Performed ~~w~~Within 30 Days

21 All cash accounts are to be reconciled each month within 30 days of the end of
 22 each month.

23 ii) ~~_____~~ Send Reconciliation to the State~~Colorado~~ Department of Health Care Policy and
 24 Financing

25 A copy of the December 31 cash reconciliation(s) report shall be submitted to the
 26 State~~Colorado~~ Department Health Care Policy and Financing, Audits
 27 Department, 1570 Grant Street, Denver, CO 80203-1818 or submitted
 28 electronically to HCPFAudit@hcpf.state.co.us by March 1 of each year.

29 iii) ~~_____~~ Warrants Redeemed List

30 A redeemed warrant listing(s) shall be retained or alternative procedures should
 31 be in place to reconcile the cash balance of the social/human services fund. The
 32 reconciliation of the fund shall be based on warrants written and warrants
 33 outstanding along with other reconciling items to agree the book balance of the
 34 cash in the account with the actual cash balance of the social/human services
 35 fund.

36
 37 iv) ~~_____~~ Retain Redeemed Warrants

38 redeemed, and available for audit. A facsimile listing of redeemed warrants
 39 provided by the financial institution shall be acceptable.

1 b. ~~_____~~ Date of Warrant Issue

2 The date of issue on a warrant must be on or before the date of mailing.

3 i) ~~_____~~ Delivery

4 On the established pay date, all ~~member~~ ~~client~~ and vendor warrants shall be
5 mailed to the last known address of the payee. ~~Member~~ ~~Client~~ and vendor
6 warrants shall not be hand delivered to payees. Employee compensation or
7 employee travel reimbursement may be hand delivered with appropriate internal
8 control surrounding the delivery.

9 c. ~~_____~~ Warrant Redemption Period of 180 Days

10 Each warrant drawn on and issued from the ~~county~~ social/human services fund shall bear
11 a notation clearly printed in a prominent position upon its face, stating that the warrant is
12 void after a predetermined number of days, for example: "Void after 180 days from issue
13 date."

14 i) ~~_____~~ Exception to Rule

15 ~~The~~ County ~~Departments~~ ~~departments of social/human services~~ shall not have
16 the option of using a time period longer than 180 days for canceling warrants but
17 may use a shorter period of time for cancellation of the warrants.

18 ii) ~~_____~~ Canceling Warrants

19 Any warrants outstanding after the specified time period shall be canceled in
20 accordance with the ~~County Department~~ ~~county's~~ internal control procedures or
21 by resolution of the ~~County Board~~ ~~county board of social/human services~~ at their
22 next ~~County Board~~ ~~county social/human services board~~ meeting with the
23 stipulation that should such warrant be presented for payment, a new warrant
24 shall be issued.

25 iii) ~~_____~~ Stale Dated Warrants

26 A stop-payment order will be issued to the ~~County Department~~ ~~county~~ treasurer or
27 ~~County Department~~ ~~county~~ redemption entity at the time the warrant cancellation
28 resolution is passed.

29 d. ~~_____~~ Forged Warrants

30 i) ~~_____~~ County Procedure

31 Disposition of the forged warrant shall follow whatever steps are available at the
32 ~~County Department~~ ~~county~~ level to recover the amount of the forged warrant.

34 ii) ~~_____~~ Non-Reimbursable

35 The expenditure as a result of a forged warrant is non-reimbursable. If the
36 amount is collected (from the forger or through return through the banking
37 system) the refund is not reported through the County Financial Management
38 System.

39 1.010.12 7.F ~~_____~~ Trust Accounts

1 1. ~~Responsibility~~

2 All trust accounts arising from the ~~State Department of Health Care Policy and Financing~~
 3 programs shall bear the name and the title of the director of the ~~County Department~~
 4 ~~department of social/human services~~ as trustee for the recipient. Withdrawals from savings,
 5 checking or investment accounts shall require two signatures, neither of which can be the
 6 caseworker or the bookkeeper. They may be the business office supervisor and director or
 7 director designee, or the caseworker supervisor and director or director designee. Shortages in
 8 trust accounts are the responsibility of the ~~County Department~~ county department of
 9 ~~social/human services~~.

10 2. ~~Trust Accounts Usage~~11 a. ~~Deposits~~

12 All trust account funds shall initially be deposited with the ~~County Department~~
 13 treasurer with the understanding that it is to be deposited where it can draw interest.

14 b. ~~Document Security~~

15 All savings account passbooks, blank checks, checkbooks, bonds, all other securities
 16 and any other documentation that could provide access to a trust account shall be kept in
 17 a secure place.

18 c. ~~Checking Accounts~~

19 When a ~~member~~ client has monthly needs, the trust account funds may be held in a
 20 checking account. When it is determined that the checking account contains more than is
 21 reasonably needed for the current month's needs, the excess shall be deposited in an
 22 interest bearing account.

23 d. ~~Documentation~~

24 Documentation must exist for all transactions of the trust account(s). Withdrawals from
 25 trust accounts shall be documented by use of a disbursement request form developed by
 26 the ~~County Department~~ county department of social/human services.

27 e. ~~Termination~~

28 Termination of trust accounts shall be documented on a notice to terminate trust account
 29 form. The form shall be prepared by a caseworker/technician indicating the fact that all
 30 payments are to cease on a given date and indicating the disposition of the funds.

32 f. ~~Reconciliations~~

33 All trust accounts shall be reconciled each month and the business office shall prepare a
 34 monthly trust account status report 10 working days after the close of the month's
 35 business. If all activity is limited to saving account interest earnings, quarterly status
 36 reports are acceptable.

37 g. ~~Commingling~~

38 Multiple trust accounts may be held in one account. The monthly reconciliation shall
 39 indicate that the adjusted bank balance will cover the positive balances of all the
 40 individual trust accounts.

3. ~~Trust Accounts Recorded in the General Ledger~~

Trust account deposits, withdrawals, and balances shall be recorded in a general ledger account(s). The general ledger account(s) shall, at a minimum, be updated at the conclusion of each month's business.

1.010.13.7.G. ~~Accounts Receivable~~

1. ~~Conflict with Accounts Receivable Program Rules~~

If the accounts receivable rules of a program are in conflict with these financial rules, the program rules on accounts receivable shall be followed instead of this section 1.010.7.G.

2. ~~Establish Accounts Receivable~~

The County ~~Department~~department of social/human services shall establish recoveries due from ~~members~~clients, providers, vendors, and employees for all program and administrative areas in a manner consistent with program rules.

3. ~~Interest Payment on Delinquent Accounts Receivables~~

a. ~~Statutory Interest~~

If permitted by program rules, a delinquent receivable not already assigned an interest rate may be assessed interest at the statutory rate as set by Section 5-12-102, C.R.S.

b. ~~Interest Begins on Forty-Sixth Day~~ ~~a~~After Notice

If no time for payment has been provided for in writing and interest is assessed, interest on the unpaid balance shall be calculated beginning with the forty-sixth day after the notice has been given that the receivable is due and payable.

c. ~~Interest Stated Separately~~

Interest liability incurred shall be presented on each billing statement as a separate amount from the original amount due.

4. ~~Monthly Billing for Accounts Receivable~~

The billing shall be supported by the detail of the amount owed, prepared by the County ~~Department~~county department of social/human services referencing the delinquent receivable, the number of days of interest to be paid if applicable, and the interest rate if applicable.

5. ~~Aging Accounts Receivable~~

Each month every account receivable shall be aged in increments of 1-30 days past due, 31-60 days past due, 61-90 days past due, and ~~over~~91 or more days past due.

a. ~~Referral of Accounts Receivable to a Collection Agency~~

When a ~~County Department~~county has exhausted its collection resources on a claim, the claim shall be referred to a collection agency and written off.

6. ~~Assignment of MemberClient Benefits~~

No assistance payments made to an eligible recipient shall be transferable or assignable at law or in equity, and none of the money paid or payable under ~~these rules~~this article shall be subject to execution, levy, attachment, garnishment, or other legal process or to the operation of any bankruptcy or insolvency law.

1 7. ~~_____~~Accounts Receivable Recorded in the General Ledger_

2 The total amount of recoveries due shall be recorded in the County Department's~~county~~
3 ~~department of social/human service's~~ general ledger accounting system. The account will be
4 adjusted at a minimum each quarter, reflecting additional amounts due and collections received._

5 8. ~~_____~~Accounts Receivable, Subsidiary Journal_

6 The County Department~~The county department of social/human services~~ shall maintain detailed
7 subsidiary journals and the total of the subsidiary journals must equal the amount(s) recorded in
8 the general ledger accounting system for accounts receivable._

9 **1.010.14. 7.H. Fixed Assets**

10 1. ~~_____~~County Responsibility_

11 Each County Department~~Each county department of social/human services~~ shall be responsible
12 for ensuring that all capitalized equipment is properly accounted for when acquired, annually
13 inventoried, safeguarded throughout its useful life, and properly accounted for at the time of
14 disposal._

15 2. ~~_____~~Inventory_

16 The County Department~~county department of social/human services~~ shall be responsible for an
17 annual inventory of property, both real and personal, belonging to the County Department~~county~~
18 ~~department of social/human services~~. An inventory shall be required only with respect to items of
19 property having an original cost that equals or exceeds \$5,000.00. For control purposes a County
20 Department~~county department of social/human services~~ may establish an amount less than
21 \$5,000.00._

22 3. ~~_____~~Property Records_

23 Each County Department~~county department of social/human services~~ shall maintain detailed
24 property records disclosing the:_

25 a. ~~_____~~Date acquired,_

26 b. ~~_____~~Cost of the fixed asset or value at the time of donation,_

27 c. ~~_____~~Specific program fund or cost pool used to acquire the fixed asset,_

28 d. ~~_____~~Any alterations made to the fixed asset, and_

29 e. ~~_____~~The physical location of the fixed asset._

30 4. ~~_____~~Useful Life, Use and Disposal_

31 a. ~~_____~~Useful Life_

32 The fixed asset acquired must be used by, and in, the County Department~~county~~
33 ~~department of social/human services~~ for the useful life of the asset. Useful life will be the
34 same as defined by the Internal Revenue Service for straight-line depreciation for that
35 class of asset as discussed in the Internal Revenue Manual 1.35.6, *Property and*
36 *Equipment Accounting (2019), which is hereby*, incorporated by reference._

37 b. ~~_____~~Use for the County Department ~~_of Social/Human Services~~

1 If the fixed asset is removed from the County Department~~county department of~~
 2 ~~social/human services~~, sold or traded before the useful life is exhausted, the prorated
 3 cost of the remaining useful life is to be refunded to the original funding source for the
 4 asset.

5 c. ~~Discontinuance of Program~~

6 If fixed assets were purchased for a program that has been discontinued, the assets may
 7 continue to be used for the benefit of the other federally funded programs that are
 8 administered by the County Department. ~~county department of social/human services~~.

9 d. ~~Credit to the Original Funding Source~~

10 Upon fixed asset disposal, the trade-in value or scrap value is to be reported as a credit
 11 to the original funding source of the asset.

12 5. ~~Recorded in the General Ledger~~

13 The total dollar amount of fixed assets shall be recorded in the general ledger and shall be
 14 supported by and agree to the detailed property records that disclose the funding source of the
 15 assets.

16 6. ~~Donated Fixed Assets~~

17 Fixed assets donated to a County Department~~county department of social/human services~~ shall
 18 be recorded at the fair market value on the date of the gift and treated as purchased equipment
 19 for inventory and accounting purposes.

20 7. ~~Leased Fixed Assets With No Intent to Purchase~~

21 The fixed asset so acquired must be used by, and in, the County Department~~county department~~
 22 ~~of social/human services~~ for the term of the lease.

23 a. ~~Interest~~

24 Interest is allowable per the restrictions found in this rule manual, section
 25 1section1.010.7.G(3)(a).

27 b. ~~Allowable Cost in a Sale and Leaseback~~

28 Costs under sale and leaseback arrangements are allowable only up to the amount that
 29 would be allowed had the County Department~~county department of social/human~~
 30 ~~services~~ continued to own the fixed asset.

31 c. ~~Limit on Amount of Reimbursement~~

32 Fixed assets rented by the County Department~~county department of social/human~~
 33 ~~services~~ with no intent to purchase are reimbursable only up to the amount of the annual
 34 depreciation had the County Department~~county~~ purchased the asset.

35 8. ~~Capital Lease of Fixed Assets~~

36 Costs under leases, which are required to be treated as capital leases under generally accepted
 37 governmental accounting principles, are allowable only up to the amount that would be allowed
 38 had the County Department~~county~~ purchased the fixed asset on the date the lease agreement

1 was executed. This amount would include expenses such as depreciation or use allowance,
2 maintenance, and insurance.

3 **1.010.15.7.I.—Revenue and Expenditures**

4 1.—County Tax Revenue

5 The ~~County Department~~county government, through the budget process, determines the amount
6 of ~~County Department~~county tax revenue that will be deposited into the social/human services
7 fund during a calendar year.

8 a.—Apportioned Taxes

9 County tax revenue apportioned to the social/human services fund includes but is not
10 limited to:

11 i).—Levy on assessed valuation of property, and

12 ii).—Specific ownership taxes.

13 b.—Deposits are Revenues

14 ~~The County Department~~The county department of social/human services shall record the
15 actual deposits made each month to the social/human services fund from information
16 furnished by the ~~County Department~~county treasurer. No calculation of earned revenue
17 from ~~County Department~~county sources is necessary month by month.

18 2.—Miscellaneous Revenue

19 a.—Revenue from Social/Human Services Costs

20 All revenue received by a ~~County Department~~county or ~~county department of~~
21 ~~social/human services~~, as a result of part or all of the costs being borne by a
22 social/human services program, shall be deposited into the ~~County Department~~county
23 ~~social/human services~~ fund.

24 b.—Donations and Gifts

25 Unrestricted bequests, gifts or donations to the ~~County Department~~county ~~department of~~
26 ~~social/human services~~ are used as local revenue. If a restricted donation to the ~~County~~
27 ~~Department~~county ~~department of social/human services~~ is invested and the income from
28 the investment is not restricted, such income is a source of local revenues.
29

30 3.—State and/or Federal Revenue and Payables

31 a.—Monthly Posting to the General Ledger

32 Accounting entries to record the ~~County Department~~county ~~department of social/human~~
33 ~~services~~' calculation of the monthly earned revenues and electronic benefit authorization
34 payables shall be posted monthly to the ~~County Department~~county ~~department of~~
35 ~~social/human services~~ general ledger.

36 4.—Expenditures

37 a.—Expenditures, Basis of Claims for Reimbursement, and Factors Affecting Allowability of
38 Costs

1 To be allowable for reimbursement under Federal awards, expenditures reported in the
2 County Financial Management System shall meet the following general criteria:

3 i) ~~_____~~ No Provision for Profit

4 Reimbursable expenditures shall be based on actual cost with no provision for
5 profit or increment above cost.

6 ii) ~~_____~~ Expenditures shall be based on Actual Costs

7 Reimbursable expenditures shall be an actual cost and not a cost based on an
8 average, allocated, anticipated or budgeted cost.

9 iii) ~~_____~~ Expenditures Shall Not Be Prohibited

10 Reimbursable expenditures shall not be those prohibited under federal, State, or
11 local, laws, rules, and regulations.

12 iv) ~~_____~~ Expenditure Policies, Regulations, and Procedures Shall Be Applied Uniformly

13 Reimbursable expenditures shall be consistent with policies, regulations, and
14 procedures that apply uniformly to State and federal awards and other activities
15 of the County Department. county.

16 1) ~~_____~~ Expenditures Shall Have Consistent Treatment

17 Expenditures shall be accorded consistent treatment.

18 A cost shall not be assigned to a federal award as a direct cost if any
19 other cost incurred for the same purpose in like circumstances has been
20 allocated to the federal award as an indirect cost.

21
22 2) ~~_____~~ Expenditures Shall Comply With Generally Accepted Accounting
23 Principles

24 Expenditures shall, except for provisions in Office of Management and
25 Budget Uniform Guidance or the US Department of Health and Human
26 Services 45 part 75 Financial Guidance Circular A-87, incorporated by
27 reference, be determined in accordance with generally accepted
28 governmental accounting principles.

29 v) ~~_____~~ Expenditures Shall Only Be Used Once as a Match

30 Expenditures shall not be included as a cost or used to meet cost sharing or
31 matching requirements of any other federal award in either the current or a prior
32 period, except as specifically provided by federal law or regulation.

33 vi) ~~_____~~ Expenditures Shall Be Net of Applicable Credits

34 1) ~~_____~~ Net of All Credits

35 Expenditures shall be claimed net of all credits, including but not limited
36 to, volume and cash discounts, refunds, rental income, trade-ins, scrap
37 sales, rebates or allowances, recoveries or indemnities on losses,
38 insurance refunds, adjustments of overpayments, and erroneous
39 charges.

2) ~~_____~~ In Some Instances, the Amounts Received from the Federal Government _____

Shall Be Treated as Applicable Credits _____

In some instances, the amounts received from the Federal government to finance activities or service operations shall be treated as applicable credits. Specifically, the concept of netting such credit items, including any amounts used to meet cost sharing or matching requirements, should be recognized in determining the rates or amounts to be charged to federal awards. _____

vii) ~~_____~~ Expenditures Shall Be Necessary and Reasonable _____

Expenditures shall be necessary and reasonable for proper and efficient performance and administration. A cost is reasonable if, in its nature and amount, it meets all the following criteria: _____

1) ~~_____~~ Expenditures Shall Be Compared to Market Prices for Reasonableness _____

Expenditures shall be compared to the market prices for comparable goods or services as a test for reasonableness. _____

2) ~~_____~~ Expenditures Shall Be Ordinary and Necessary _____

Expenditures shall be of a type generally recognized as ordinary and necessary for the operation of the governmental unit or the performance of the federal award. _____

3) ~~_____~~ Expenditures Shall Meet Standards Such as Sound Business Practices and Arms-Length Bargaining _____

Expenditures shall have restraints or requirements imposed by such factors as: sound business practices; arms-length bargaining; ~~f~~Federal, State and other laws and regulations; and, terms and conditions of the State and/or ~~f~~Federal award. _____

4) ~~_____~~ Expenditures Shall Be the Same as Would Be Incurred by a Prudent Person _____

Expenditures shall not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. A prudent person is one who considers their responsibilities to the governmental unit, its employees, the public at large, and the federal government. _____

b. ~~_____~~ Legal Settlements _____

Legal judgments and settlements against ~~County Departments~~ county departments of social/human services are not reimbursable. _____

5. ~~_____~~ Documentation of Expenditures _____

To be allowable for reimbursement under ~~f~~Federal awards, expenditures reported in the County Financial Management System shall meet the following criteria: _____

1 a. ~~Documentation to Support Expenditures~~

2 The authorization to purchase, documentation of the receipt of the goods or services, the
3 vendor's invoice, and a signed commitment voucher or signed approval to pay for each
4 disbursement are documents supporting expenditures and must be retained and
5 available for audit purposes.

6 i). ~~Prior Authorization~~

7 Expenditures shall be prior authorized by a signed requisition, purchase order, or
8 similar form of prior authorization. If the purchase is for a monthly recurring
9 expense, a copy of the initial authorization shall be attached to the billing.

10 ii). ~~Different People Are Required for Ordering, for Receiving and for Processing~~
11 ~~Payment~~

12 The person ordering goods and/or services shall not be the same person
13 receiving or the person processing the payment for them. Likewise, the person
14 receiving the goods/services shall not be the same person processing the
15 payment for them.

16
17 iii). ~~Receiving Reports~~

18 1). ~~Proper Receiving Report~~

19 Expenditures shall be documented by evidence of the receipt of goods or
20 services such as a receiving report signed by an employee authorized to
21 receive the goods or services. A receiving report shall include; actual
22 quantities received, any unsatisfactory condition, and compliance with
23 specifications, prior to a voucher being processed for payment and shall
24 be attached to the voucher packet.

25 iv). ~~Verification of Vendor's Invoice~~

26 The vendor's invoice must be verified by checking for proper purchase
27 authorization, notation of receipt of goods/services, correct addition, and
28 extensions. The invoice should be signed by the person verifying its accuracy.
29 Any discounts for prompt payment or volume purchase shall be reported as a
30 credit or reduction of expenditures.

31 v). ~~Commitment Vouchers~~

32 No disbursement of funds shall be made unless the ~~County Department~~county
33 ~~department of social/human services~~ director or the director's designee has
34 signified approval by signing the commitment voucher or invoice.

35 6. ~~Employee Salary and Benefits~~

36 To be allowable for reimbursement under Federal awards, employee salary and benefits reported
37 in the County Financial Management System shall meet the following criteria:

38 a. ~~Documentation of Employee Salary and Benefits~~

39 The ~~County Director~~county director and/or ~~B~~board of ~~County Commissioners~~county
40 ~~commissioners~~ will document employee salary, benefits, and withholdings on payroll

records. County ~~Department~~ ~~department of social/human services'~~ expenditures shall be listed on payrolls separate from other ~~County Department~~ ~~county~~ personnel costs. These payrolls must be retained as per Colorado State Archives Records Management Manual, Schedule 10 and available for audit.

i) ~~Documentation of Employee Salary and Benefits~~

County ~~D~~departments shall have records documenting all personnel actions including, but not limited to, appointments and separations, employee salary level, transfers, demotions, funding changes, pay increases, promotions, terminations, title changes, attendance and leave records, longevity or other circumstances affecting employee compensation.

ii) ~~Controls Over Employee Salary and Benefits~~

Adequate controls shall be maintained to initiate changes in salary due to promotion, longevity or other circumstances affecting employee compensation.

b. ~~Employee Wage Assignments~~

County ~~Department~~ ~~department of social/human services'~~ employee wages are subject to execution, levy, attachment, garnishment, or other legal processes.

c. ~~Leave Records~~

All ~~County Departments~~ ~~county departments of social/human services~~ shall maintain records of all leave both accrued and taken.

d. Standards for documentation of personnel expenses

Personnel expenses shall:

i) Be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable and properly allocated.

ii) Reasonably reflect the total activity for which the employee is compensated not to exceed 100% of compensated activities

iii) Have supporting documentation for the distribution of the employee salary or wages among specific activities or cost objectives. This includes personnel activity reports such as 100% time reporting, prescribed certifications or equivalent documentation that support the records as required by HHS Financial Guidance 45 part 75, §75.460 Compensation - personal services.

e. ~~Employee Training~~

i) ~~Training Purpose~~

Training functions shall be held to achieve program objectives, develop employees, enhance employee's job performance, and shall be limited to reasonable and actual costs.

ii) ~~Training Attendance~~

The attendance of employees at training functions shall include only those individuals related to the purpose of the function.

iii) ~~Training Functions Shall Be Documented~~

1 Training functions shall have a written agenda, study materials, and be led by an
2 identified presenter.

3 **1.010.16.7.J.—Contracts**

4 The County Departments shall adhere to all county guidelines for contract processes and procedures. In
5 the absence of county procedures, the County Department shall follow State contract process and
6 procedures pursuant to 1 CCR 101 through 1 CCR 109.

7 To be allowable for reimbursement under ~~f~~Federal awards, expenditures for contracts reported in the
8 County Financial Management System shall meet the following criteria:

9 1. ~~Contract Intent~~

10 ~~Each County Department~~~~Each county department of social/human services~~ shall be responsible
11 for assuring that the contracts they initiate are within the intent of the funding source and that the
12 contract is necessary and is the most economical and efficient means for accomplishing the
13 identified tasks.

14 2. ~~Interagency Contracts~~

15 Formal agreements between two agencies, sometimes referred to as “Interagency Agreements,”
16 “Memoranda of Understanding,” or “Memoranda of Agreement” are to be treated as if they are
17 contracts.

18 3. ~~Contracts Legality~~

19 ~~The County Department~~~~The county department of social/human services~~ shall be responsible for
20 assuring that all constitutional, statutory, regulatory, and grant requirements have been met prior
21 to signing a contract.

22 4. ~~Protection of Interests~~

23 A ~~County Department~~~~county department of social/human services~~ shall negotiate and process a
24 contract when protecting the interest of the ~~County Department~~~~county~~ can only be accomplished
25 by using a contract. When questions arise in this area, the ~~County Department~~~~county's~~ legal
26 representative should be contacted for assistance.

27
28 5. ~~Advance Payments/Retainers~~

29 Contracts and other commitment vouchers shall not provide for advance payment for goods
30 and/or services unless it is an established industry standard or unless the party to the contract
31 provides a benefit to the ~~County Department~~~~county~~ at least equal to the cost and risk of the
32 advance payment. Any advance payment made on a contract shall require the written approval of
33 the chairman of the ~~County Board~~~~county social/human services board~~, or an authorized
34 delegate.

35 6. ~~No Personal Benefit~~

36 The ~~County Department~~~~county~~ signatories of a contract shall have no personal or beneficial
37 interest whatsoever in the goods or services described in the contract.

38 7. ~~Contracts at a Minimum Shall:~~

39 a. ~~Be in Writing~~

1 All contracts at a minimum shall be prepared in writing. _

2 b. ~~_____~~ Specifically Identify the Parties to the Contract _

3 All contracts at a minimum shall specifically identify the parties to the contract. _

4 c. ~~_____~~ Contain a County Fiscal Year Restriction _

5 All Contracts shall contain a fiscal year restriction such as: _

6 "This contract is subject to and contingent upon the continuing availability of budgeted
7 ~~County Department~~ county funds for the purposes hereof." _

8 d. ~~_____~~ Contain a Restriction Regarding the Availability of State and/or Federal Funds _

9 Contracts shall contain a restrictive clause involving State and or federal funds such as: _

10 "This contract is subject to and contingent upon the continuing availability of State and or
11 federal funds for the purposes hereof." _

12 e. ~~_____~~ All Contracts Shall Contain Provisions for: _

13 i) ~~_____~~ Statement of Work; _

14 ii) ~~_____~~ Payment terms, including maximum dollar amount; _

15 iii) ~~_____~~ Performance period (contract beginning and end dates); and _

16 iv) ~~_____~~ General terms and conditions. _

17 f. ~~_____~~ Request Payment at Least Monthly _

18 Contractors shall bill for goods or services at least monthly. Goods or services performed
19 must be identified in detail. Contracts shall specify that all parties to the contract shall
20 maintain, for audit purposes, documentation to support expenditures claimed under the
21 contract. Payments made should be coded to account categories that identify the type of
22 expense being paid. _

23 g. ~~_____~~ Define Breach of Contract _

24 The County shall define breach of contract and include available remedies in the
25 contract. _

26 h. ~~_____~~ State a Preference for Colorado Labor _

27 Pursuant to Sections 8-17-101 and 8-17-102, C.R.S., a preference for Colorado labor is
28 applicable if the contract is for public works and is financed in part or in whole with State
29 funds. _

30 8. ~~_____~~ Contract Review _

31 a. ~~_____~~ Contract Monitoring _

32 The County shall have a monitoring system to assure that expenditures claimed are
33 within the terms of the contract. _

34 b. ~~_____~~ Review for Availability of Funds _

35 Before the execution of a contract, the ~~County Department Director~~ county department of
36 ~~social/human services director~~ or a delegate shall review the contract for completeness

and to ensure that funds are available to cover the contract liability; written evidence of the director's or delegate's review shall be maintained with the contract.

c. Review for Compliance

Before execution of a contract, the County Department Director or delegate shall categorize the contract according to risk using the State Controller's "Review and Approval of State Contracts" criteria or criteria established by written policy of the County Department director. The County Department's legal representative shall review all high risk contracts to include compliance with:

- i) The Federal and the State constitution,
- ii) Federal and State laws,
- iii) Federal and State rules and regulations,
- iv) Executive orders, and
- v) The authority of the County Department of Social/Human Services to enter into the contract.

The County Department shall maintain written documentation of the risk analysis of the contract as well as a copy of the results of the written legal review in the contract file.

d. Delegation of the Contracting Authority

Under certain circumstances the County Department Director may delegate, in writing, authority to execute contracts. Delegation of the County Director's signature authority does not eliminate the requirement that all contracts have a risk analysis and, if required, legal review, or exempt any County Department from securing the required approval from the chairman of the County Board.

9. Contract Signature Approval

a. Signature Authority

The chairman of the County Board or a designee shall sign all contracts on behalf of the County Department of social/human services. Delegated authority shall be in writing and maintained for audit purposes.

b. Original Signatures

It shall be the responsibility of the contracting County Department to obtain original or legally accepted signatures of all parties to the contract and to retain at least one contract that contains the original or legally accepted signatures of all of the contracting parties.

10. Required for Personal Services

1 Contracts shall be required when a ~~County Department~~county department of social/human
 2 ~~services~~ purchases personal services that are provided in a relationship other than that of
 3 employee-employer. Personal service contracts include maintenance and service agreements,
 4 including but not limited to, legal services, management services, extensions of County
 5 ~~Department~~county department of social/human services staff, other public or private agencies,
 6 automated data processing services, and training by other than the Colorado Department of
 7 Health Care Policy and Financing, Colorado Department of Human Services, or another County
 8 ~~Department~~county department of social/human services' staff. _

9 a. ~~_____~~ Contract Provision for Personal Services in excess of \$100,000 _

10 To be included as a reimbursable expense from the State Department of Health Care
 11 ~~Policy and Financing~~, personal services contracts over \$100,000 shall include all of the
 12 ~~following~~ contract requirements: ~~_ of Section 24-103.5-101 C.R.S. as follows:~~

13 i) ~~_____~~ Performance measures and standards developed specifically for the contract by
 14 the administering County; _

15 ii) ~~_____~~ Accountability standards requiring regular vendor reports on achievement of the
 16 specified performance measures and standards; _

17 iii) ~~_____~~ Payment provisions allowing the County to withhold payment until successful
 18 completion of all or specified parts of the contract and requiring prompt payment
 19 upon successful completion; _

20 iv) ~~_____~~ Monitoring requirements specifying how the County and the vendor will evaluate
 21 each other's performance, including progress reports, site visits, inspections, and
 22 reviews of performance data; and _

23 v) ~~_____~~ Processes for resolving disputes between the County and the vendor. _

24 b. ~~_____~~ Contract for Legal Services

25 ~~Contracts for legal services that provide for a set monthly fee shall contain a~~
 26 ~~reconciliation clause that requires an annual rebate to the county department of~~
 27 ~~social/human services if the hours expended on social/human services cases is less than~~
 28 ~~the predetermined number at the contract specified hourly rate.~~

29 11. ~~_____~~ Contract with the District Attorney

30 ~~Pursuant with Section 25.5-1-115, C.R.S., the county department of social/human services shall~~
 31 ~~negotiate a contract with the district attorney and pay expenditures incurred by the district~~
 32 ~~attorney's office in investigating and prosecuting any person who has fraudulently obtained~~
 33 ~~medical assistance. Costs of the District Attorney's office for training county department of~~
 34 ~~social/human services staff are also allowable.~~

35 12. ~~_____~~ Required for Lease/Rent _

36 ~~A County Department~~A county department of social/human services shall negotiate and process
 37 a contract when leasing land, buildings, or other office or meeting space when the rental is for
 38 more than thirty days or for an amount more than \$5,000.00. _

39 123. ~~_____~~ Required for Capital Construction/Maintenance _

40 ~~A County Department~~A county department of social/human services shall negotiate and process
 41 a contract when expending capital construction or maintenance funds in excess of \$5,000.00. _

1 13. Compliance with Laws

2 Existing laws, rules and regulations cannot be overridden by terms in a contract or a
 3 memorandum of understanding.

4 1.010.17. 7.K.—Travel

5 The County Department shall adhere to all county guidelines for travel policies and reimbursement
 6 procedures. In the absence of county policies and procedures, County Departments of Social/Human
 7 Services shall follow State travel policies and procedures pursuant to 1 CCR 101-1, Chapter 5, Rule 5-1.

8 1. —To be allowable for reimbursement under Federal awards, travel expenditures reported in the
 9 County Financial Management System shall meet the following criteria:

10 a. —General

11 All costs for travel not directly related to case workers or ~~member~~ client activity shall be
 12 pre-approved by the employee's supervisor and the County Department
 13 Director ~~social/human services department director~~. Appropriate supporting
 14 documentation shall be maintained by the supervisor prior to travel.

15 b. —Travel Policies Shall Be Consistent Throughout the County

16 The travel policies for County Department ~~county departments of social/human services~~
 17 employee reimbursement for lodging, meals, and transportation shall be consistent with
 18 those policies in the county's other departments, offices, and divisions.

19 c. —Travel Expense as Part of Another Fee

20 If travel expenses (meals, lodging, transportation, etc.) are included in conference fees,
 21 registration fees, or are otherwise furnished at no additional cost to the traveler, no
 22 reimbursement shall be made for these items. If, however, a meal included in a
 23 commercial transportation ticket is not adequate, and the traveler incurs an additional
 24 meal expense, reimbursement may be claimed at the authorized rate for that meal.

25 d. —Travel Reimbursement for Only County Business

26 Lodging, meals, and other reimbursable travel expenses shall only be reimbursed for the
 27 period of time necessary for the traveler to accomplish the County Department ~~county's~~
 28 business. When a traveler uses an alternate method of transportation, which is
 29 authorized by the approving authority, any additional time required to complete the
 30 County Department ~~county's~~ business shall be charged to approved leave.

31 e. —Limited Time for Reimbursement

32 Reimbursement for travel and related expenses is available for the current month (month
 33 being paid) and two preceding months.

34 2. —Transportation

35 Transportation costs charged to the State Department ~~of Health Care Policy and Financing~~ shall
 36 be for the benefit of the State Department ~~of Health Care Policy and Financing~~ and shall conform
 37 to the State of Colorado Fiscal Rules, 1 CCR 101-1, Chapter 5, Rule 5-1 (Travel) (2021), which is
 38 hereby, incorporated by reference.

39 a. —Reimbursement for the Most Economical and Efficient Means Available

1 Transportation shall be completed using the most economical and efficient means
 2 available that will satisfactorily accomplish the County Department~~county department of~~
 3 ~~social/human services'~~ business.

4 b. ~~_____~~ Documentation of Trip

5 Sufficient documentation of the purpose and the cost of the trip shall be included with the
 6 travel expense form. If the purpose of the travel is not solely for business purposes, the
 7 individual involved shall make a reasonable allocation of the expenses and the travel
 8 reimbursement request shall contain sufficient documentation to indicate the allocation
 9 made and the basis for the allocation.

10 c. ~~_____~~ Mileage Rate

11 Reimbursement of vehicle transportation shall ~~be~~ not be greater than the standard
 12 mileage rate for business established by the US Internal Revenue Service for state
 13 employees. This mileage rate is to cover all ownership and operating costs of the vehicle.
 14 The County Department shall adhere to all county guidelines for mileage reimbursement.
 15 If a county department does not have an established policy they must follow the State
 16 Travel policy at Section 24-9-104, C.R.S. , such as depreciation, use allowance,
 17 insurance, repairs, maintenance, gas, oil, tires, etc.

18 d. ~~_____~~ Transportation Does Not Include Employee's Spouse or Other Non-County Employee

19 Reimbursable costs shall not include the cost of an employee's spouse or other non-
 20 County Department ~~county~~ employee(s) accompanying the employee on a business trip.

21 e. ~~_____~~ Only One Reimbursement per Vehicle

22 When two or more people travel together in the same personally owned and operated
 23 automobile, only the employee responsible for the automobile shall be allowed mileage
 24 reimbursement.

25 3. ~~_____~~ Lodging

26 a. ~~_____~~ Lodging Receipt

27 Receipts for lodging shall be obtained and submitted with the travel expense form. The
 28 actual lodging receipt is required. Charge slips are not sufficient.

29 b. ~~_____~~ Travel Reimbursement at Reasonable Accommodations

30 Employees pre-authorized to travel shall be reimbursed the actual cost of reasonable
 31 accommodations. Employees may be required to use approved or designated lodging
 32 facilities in certain areas to assist in controlling travel cost. Reimbursement shall be
 33 limited to the cost of commercial lodging.

34 4. ~~_____~~ Meals

35 a. ~~_____~~ Meal Per Diem

36 Employees pre-authorized to travel shall be reimbursed for the cost of meals, including
 37 tax, tip and other incidental expenses at a rate not higher than the per diem rates set by
 38 State of Colorado Fiscal Rules, 1 CCR 101-1, Chapter 5, Rule 5-1 (2021), which is
 39 hereby, incorporated by reference.

40 5. ~~_____~~ Reimbursable Items

1 In addition to lodging, meals, and transportation, the following actual expenses incurred as a
 2 necessary part of approved travel may be reimbursed.

3 a. ~~Travel Tips~~

4 Reasonable tips paid by the traveler for bellhops, porters, maids, and ground
 5 transportation are reimbursable up to the daily incidental per diem. Tips paid in
 6 conjunction with meals are included in the meal per diem and cannot be claimed
 7 separately.

8 b. ~~Vehicle Trips~~

9 i) ~~Mileage of a Private Vehicle~~

10 Mileage expenses are reimbursable for the written, pre-approved use of a private
 11 vehicle. The written approval should be by the employee's supervisor. The pre-
 12 approval may be provided by the supervisor on ~~an~~ annual basis for case
 13 workers and those directly involved with ~~member/client~~ activity. The County
 14 Department shall adhere to all county guidelines for mileage reimbursement. If a
 15 county department does not have an established policy they must follow the
 16 State Travel policy at Section 24-9-104, C.R.S.

17 ii) ~~Commercial Vehicle~~

18 Commercial transportation expenses paid by the traveler are reimbursable. A
 19 receipt shall be required for each individual ride in a commercial vehicle, if over
 20 \$25.00.

21 c. ~~Travel Campsite Fees~~

22 Campsite fees paid by the traveler for a commercial ~~campground~~ ~~camp ground~~ or a State
 23 or national park are reimbursable. A receipt shall be required if over \$25.00.

25 d. ~~Parking Fees~~

26 Parking fees paid by the traveler are reimbursable. A receipt shall be required for any
 27 single fee over \$25.00.

28 e. ~~Travel Registration Fees~~

29 Registration fees paid by the traveler are reimbursable. A receipt is required for all
 30 registration fees paid.

31 f. ~~Rental Car Cost~~

32 Rental car costs paid by the traveler are reimbursable. A receipt is required for all rental
 33 car expenditures.

34 g. ~~Communications Charges~~

35 Telephone, fax, and other similar charges paid by the traveler for official County
 36 Department ~~county~~ business are reimbursable. A receipt shall be required for any single
 37 charge over \$25.00. Personal phone calls are included in the incidental per diem rate;
 38 they cannot be claimed separately.

39 h. ~~Toll Road Charges~~

1 Toll road charges paid by the traveler are reimbursable when the travel is for official
 2 County Department~~county~~ business and when the travel is pre-approved.

3 6. ~~_____~~ Non-Reimbursable Travel Items

4 The following actual expenses incurred as a part of approved travel shall not be reimbursed.

5 a. ~~_____~~ Alcohol

6 Alcoholic beverages purchased by the traveler are not allowable for reimbursement.

7 b. ~~_____~~ Entertainment Fees

8 Entertainment expenses paid by the traveler are not allowable for reimbursement.

9 c. ~~_____~~ Personal Items

10 Personal expenses incurred during travel that are primarily for the benefit of the traveler
 11 and not directly related to the official purpose of the travel are not allowable for
 12 reimbursement. Examples include the purchase of personal hygiene items, magazines,
 13 snacks, movie rentals, and other miscellaneous items.

14 d. ~~_____~~ Insurance Expense

15 Travel insurance expenses paid by the traveler are not allowable for reimbursement.

16 e. ~~_____~~ Traffic Fines and Tickets

17 The cost of traffic fines and traffic tickets are not allowable for reimbursement.

19 7. ~~_____~~ Travel Expense Form and Approval

20 a. ~~_____~~ Travel Expense Form

21 The ~~State Colorado Department of Health Care Policy and Financing~~ prescribed travel
 22 expense form or alternate form containing the same information shall be used for
 23 claiming all travel expenses for which an employee, volunteer, or County Board~~county~~
 24 ~~social/human-service board~~ member requests reimbursement. A properly completed and
 25 approved travel expense form shall support all payments for travel expenses.

26 b. ~~_____~~ Approval

27 The County Department Director ~~or director of social/human services or the director's~~
 28 designee shall sign the travel expense form. This signature shall certify a review and
 29 approval of all travel expense items. Receipts for lodging, parking and other
 30 miscellaneous claims shall be attached to the County Department~~county department of~~
 31 ~~social/human services'~~ copy of the travel expense form. This travel expense form and all
 32 receipts shall be retained. Approval of this travel expense form shall be shown by the
 33 employee's supervisor's signature. The employee requesting reimbursement shall sign
 34 the travel expense form to certify that all expenses listed are for approved County
 35 Department~~county social/human services~~ purposes.

36 c. ~~_____~~ Travel Advances

37 At the discretion of and in compliance with County Department~~county~~ policies and
 38 procedures, employees may request a cash advance to conduct business for the County

~~Department~~county department of social/human services. The amount of the travel advance shall be no larger than the total per diem allowance for the planned trip. The ~~State~~Colorado Department of Health Care Policy and Financing prescribed Request for Travel Advance form or alternate form containing the same information shall be used for requesting an advance. The form should require the signed approval of the employee's supervisor and the ~~County Department Director~~department director or designee.

8. ~~_____~~Travel Coding and Reimbursement

a. ~~_____~~Travel Coding

Travel shall be reported under the same program and function coding as the employee's salary and benefits. If the travel expense is reported under a coding other than the coding for the employee's salary and benefits, sufficient explanation and/or documentation to support this alternate coding shall be attached to the travel expense form.

b. ~~_____~~Travel Appropriations and Reimbursement

Travel by ~~County Department~~county department of social/human services employees and members of ~~County Boards~~county social/human services boards will be reimbursed within the limit of each ~~County Department~~county's allocation(s) if travel was pursuant to section 1.010.7.K of these rules.

1.010.18.7.L. Office Space

1. ~~_____~~To be allowable for reimbursement under ~~f~~Federal awards, expenditures for office space reported in the County Financial Management System shall meet the following criteria:

a. ~~_____~~Purchase of Office Space

~~A County Department~~A county social/human service fund shall not use federal funds to construct or purchase buildings or facilities or to purchase real estate unless prior approval has been obtained from the Controller of the ~~State~~Colorado Department of Health Care Policy and Financing, 1570 Grant St., Denver, CO 80203.

b. ~~_____~~Allocation of Office Space Costs

The reimbursement for office space is a part of each program's administrative allocation and allowable only to the extent of each program's administrative allocation. The allocation of the total office space costs to each program is to be based on square foot used or other reasonable and documented method.

c. ~~_____~~Sharing Office Space

If a building is shared with another agency, the ~~County Department~~county department of social/human services' cost shall not exceed the prorated share of the total building costs based on square feet used.

d. ~~_____~~Substantiating Space Costs

Prior to building or contracting for another building, or changing the current contract, the ~~County Department~~county department of social/human services shall obtain and retain documentation that office space costs incurred are equal to or less than the cost of comparable commercial leases in the area.

2. ~~_____~~Allowable Costs for County Owned Office Space

1 a. ~~_____~~ Allowable Capital Costs for Owned Office Space ~~_____~~

2 The allowable cost for county~~_____~~ owned office space is based on a usage allowance of two
 3 percent per year of the capitalized cost of the building or an amount based on a
 4 reasonable depreciation schedule that is approved by the Controller of the ~~State~~Colorado
 5 Department ~~of Health Care Policy and Financing~~, 1570 Grant St., Denver, CO 80203. ~~_____~~

6 b. ~~_____~~ Expenditure of the Social/Human Service Fund ~~_____~~

7 The full amount of the usage allowance or depreciation for office space shall be an actual
 8 expenditure from the social/human services fund. This expenditure shall be paid to the
 9 ~~County Department~~ county fund or other county entity that owns the building(s) ~~_____~~

10 c. ~~_____~~ Allowable Office Space Costs in Addition to Capital Costs ~~_____~~

11 Office space costs that are allowable for reimbursement are as follows, but are not limited
 12 to, utilities such as heating, lighting or cooling the building, normal repairs and
 13 maintenance that are not capitalized, ordinary and normal rearrangement and alterations
 14 that are not capitalized, security, janitorial, building insurance, elevator service, and
 15 upkeep of grounds. ~~_____~~

16 d. ~~_____~~ Allowable Interest on Office Space Costs ~~_____~~

17 Costs incurred for interest on borrowed capital or the use of a governmental unit's own
 18 funds, however represented, are unallowable except as specifically provided below. ~~_____~~

19 i. ~~_____~~ Office Space Interest Expense Limitations ~~_____~~

20 Financing costs (including interest) paid or incurred on or after August 29, 1997,
 21 associated with the otherwise allowable costs of building acquisition,
 22 construction, or fabrication, reconstruction or remodeling completed on or after
 23 October 1, 1980, is allowable, subject to the following three conditions: ~~_____~~

24 1) ~~_____~~ Bona Fide Third Party Funding ~~_____~~

25 The financing is provided (from other than tax or user fee sources) by a
 26 bona fide third party external to the governmental unit, ~~_____~~

27 2) ~~_____~~ Support Federal Awards ~~_____~~

28 The assets are used in support of federal awards, and ~~_____~~

29 3) ~~_____~~ Interest Earnings ~~_____~~

30 Earnings on debt service reserve funds or interest earned on borrowed
 31 funds pending payment of the construction or acquisition costs are used
 32 to offset the current period's cost or the capitalized interest, as
 33 appropriate. Earnings subject to being reported to the Federal Internal
 34 Revenue Service under arbitrage requirements are excludable. ~~_____~~

35 3. ~~_____~~ Allowable Costs for Leased Office Space ~~_____~~

36 a. ~~_____~~ Allowable Office Space Costs for Leased Office Space ~~_____~~

37 The allowable cost for non-~~County Department~~county owned office space is the lower of
 38 the actual lease cost or a rate that is reasonable in light of such factors as rental costs of

comparable property, if any; market conditions in the area; alternatives available; and, the type, life expectancy, condition, and value of the property leased.

b. Allowable Office Space Costs in Addition to Lease Costs

Office space costs that are allowable for reimbursement if not already provided for in the lease agreement are as follows but are not limited to utilities such as heating, lighting or cooling the building, normal repairs and maintenance that are not capitalized, ordinary and normal rearrangement and alterations that are not capitalized, security, janitorial, building insurance, elevator service, upkeep of grounds, and appraisal fees required by the ~~County Department~~county department of social/human services for cost comparisons.

c. Allowable Office Space Costs in a Sale and Leaseback

Costs under sale and leaseback arrangements are allowable only up to the amount that would be allowed had the ~~County Department of Social/Human Services~~county continued to own the property.

d. Office Space Costs in a Less-Than-Arms-Length Lease

Office space costs under a less-than-arms-length lease are allowable at the lower of the actual lease cost or an amount that is reasonable in light of such factors as rental costs of comparable property, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the property leased.

e. Authority Created to Acquire and Lease Office Space

Prior approval from the Controller of the Colorado Department of Health Care Policy and Financing, 1570 Grant St., Denver, CO 80203, is required for reimbursement of office space costs when the ~~County Department of Social/Human Services~~county creates an authority or similar entity to acquire and lease the office space to the ~~County Department of Social/Human Services.~~county.

f. Capital Lease of Office Space

Costs under leases, which are required to be treated as capital leases under generally accepted governmental accounting principles, are allowable only up to the amount that would be allowed had the governmental unit purchased the property on the date the lease agreement was executed. This amount would include expenses such as depreciation or use allowance, maintenance, and insurance. Interest costs related to capital leases are allowable to the extent they meet the criteria for allowability of interest in section 1.010.7.L(2)(d) of these rules.

4. Office Space Costs to be Excluded from Reimbursement

a. Office Space Funded by Others

Office space cost to be excluded is space that is funded by another State or private agency.

b. Sublet Office Space

~~Office space cost to be excluded is space sublet to a local, state, or federal agency or other user.~~Office space cost to be excluded is space sublet to a local, state, or federal agency or other user.

1 c. ~~Used by Others~~

2 ~~Office space cost to be excluded is space used solely by staff not authorized by the~~
 3 ~~Colorado Department of Health Care Policy and Financing. Office space cost to be~~
 4 ~~excluded is space used solely by staff not authorized by the Colorado Department of~~
 5 ~~Health Care Policy and Financing.~~

6 d. ~~Not Authorized for Use~~

7 ~~Office space cost to be excluded is space used solely for functions not authorized by the~~
 8 ~~Colorado Department of Health Care Policy and Financing. Office space cost to be~~
 9 ~~excluded is space used solely for functions not authorized by the Colorado Department of~~
 10 ~~Health Care Policy and Financing.~~

11 e. ~~Not Incurred~~

12 Office space cost to be excluded is cost ~~that, which~~ has not been incurred by or paid from
 13 the ~~county department of social/human services. Costs excluded are the value of~~
 14 ~~donated materials, labor, or buildings. Other costs excluded are those paid from a grant,~~
 15 ~~or a cost used as matching funds for a grant. County Department. Costs excluded are the~~
 16 ~~value of donated materials, labor, or buildings. Other costs excluded are those paid from~~
 17 ~~a grant, or a cost used as matching funds for a grant.~~

18
 19 f. ~~Idle or Empty Office Space~~

20 ~~Office space cost to be excluded is idle facilities or idle capacity unless necessary to~~
 21 ~~meet fluctuations in workload. Office space cost to be excluded is idle facilities or idle~~
 22 ~~capacity unless necessary to meet fluctuations in workload.~~

23 **1.010.19.7.M. Cost Accounting**

24 1. ~~Application of Costs Requires a Plan~~

25 Where an accumulation of indirect costs will ultimately result in charges to a federal award, a cost
 26 allocation plan, indirect rate proposal, or application of random moment sampling shall be
 27 required.

28 2. ~~Direct or Indirect Cost~~

29 a. ~~Consistent Treatment~~

30 ~~Each item of cost shall be treated consistently in like circumstances either as a direct or~~
 31 ~~an indirect cost. Each item of cost shall be treated consistently in like circumstances either~~
 32 ~~as a direct or an indirect cost.~~

33 b. ~~No Universal Rule~~

34 ~~There is no universal rule for classifying certain costs as either direct or indirect under~~
 35 ~~every accounting system. A cost may be direct with respect to some specific service or~~
 36 ~~function, but indirect with respect to the federal award or other final cost objective. There~~
 37 ~~is no universal rule for classifying certain costs as either direct or indirect under every~~
 38 ~~accounting system. A cost may be direct with respect to some specific service or~~
 39 ~~function, but indirect with respect to the federal award or other final cost objective.~~

40 3. ~~Reasonable and Based on Generally Accepted Governmental Accounting Principles~~

1 All costs incurred shall be allocated to the program/activity/cost pool based on generally accepted
 2 governmental accounting principles and OMB Uniform Guidance and the HHS Financial
 3 Guidance Circular A-87, incorporated by reference. ~~Direct costs shall be allocated to the project~~
 4 ~~on a reasonable basis relating directly to the benefit or value added to the program. Indirect costs~~
 5 ~~shall be allocated from indirect cost pools on a reasonable basis consistent with that of other~~
 6 ~~similar or related projects/grants/activities. Direct costs shall be allocated to the project on a~~
 7 ~~reasonable basis relating directly to the benefit or value added to the program. Indirect costs shall~~
 8 ~~be allocated from indirect cost pools on a reasonable basis consistent with that of other similar or~~
 9 ~~related projects/grants/activities.~~

10 4. ~~_____~~ All Inclusive Cost Accounting Plan

11 ~~All activities that benefit from an indirect cost, including unallowable activities and services, shall~~
 12 ~~receive an appropriate allocation of indirect costs. All activities that benefit from an indirect cost,~~
 13 ~~including unallowable activities and services, shall receive an appropriate allocation of indirect~~
 14 ~~costs.~~

15 5. ~~_____~~ Duplicate Claims for Reimbursement

16 a. ~~_____~~ Same Cost Not Allowed

17 Costs shall not be claimed for reimbursement by a County Department ~~county or a county~~
 18 ~~department of social/human services~~ more than once.

19 b. ~~_____~~ Direct and Also Indirect

20 ~~The same cost shall not be charged directly to a program and then charged again~~
 21 ~~through a cost allocation plan or an indirect rate proposal. The same cost shall not be~~
 22 ~~charged directly to a program and then charged again through a cost allocation plan or~~
 23 ~~an indirect rate proposal.~~

24 c. ~~_____~~ Same Cost Reported to More Than One Program

25 ~~The same cost shall not be charged to more than one program. For example, a staff~~
 26 ~~person being reported and reimbursed from county administration full-time may have~~
 27 ~~some costs reimbursed through a special program, project, or grant. Any reimbursement~~
 28 ~~received from the special grant must be reported as a reduction of expenditures, not as a~~
 29 ~~source of revenue. Crediting the refund to the funding source from which the original~~
 30 ~~reimbursement was made reduces expenditures. The same cost shall not be charged to~~
 31 ~~more than one program. For example, a staff person being reported and reimbursed from~~
 32 ~~the County Department administration full-time may have some costs reimbursed through~~
 33 ~~a special program, project, or grant. Any reimbursement received from the special grant~~
 34 ~~must be reported as a reduction of expenditures, not as a source of revenue. Crediting~~
 35 ~~the refund to the funding source from which the original reimbursement was made~~
 36 ~~reduces expenditures.~~

37 6. ~~_____~~ Net of All Credits

38 ~~Expenditures shall be claimed net of all credits, for example, volume and cash discounts, refunds,~~
 39 ~~rental income, trade-ins, scrap sales, rebates or allowances, recoveries or indemnities on losses,~~
 40 ~~insurance refunds, adjustments of overpayments, erroneous charges, etc. Expenditures shall be~~
 41 ~~claimed net of all credits, for example, volume and cash discounts, refunds, rental income, trade-~~
 42 ~~ins, scrap sales, rebates or allowances, recoveries or indemnities on losses, insurance refunds,~~
 43 ~~adjustments of overpayments, erroneous charges, etc.~~

1 ~~7. Relative Benefits Received~~

2 ~~A cost is allocable to a particular cost objective if the goods or services involved shall be~~
 3 ~~chargeable or assignable to such cost objective in accordance with relative benefits received.~~
 4 A cost is allocable to a particular cost objective if the goods or services involved shall be chargeable
 5 or assignable to such cost objective in accordance with relative benefits received.

6 ~~8. Cost Shifting to Fund Deficiencies~~

7 ~~Any cost allocable to a particular federal award or cost objective shall not be charged to other~~
 8 ~~federal awards to overcome fund deficiencies or to avoid restrictions imposed by law or terms of~~
 9 ~~the federal awards, or for other reasons.~~
 10 Any cost allocable to a particular federal award or cost
 11 objective shall not be charged to other federal awards to overcome fund deficiencies or to avoid
 12 restrictions imposed by law or terms of the federal awards, or for other reasons. However, this
 13 prohibition shall not preclude from shifting costs that are allowable under ~~f~~Federal and State laws
 for two or more awards in accordance with existing program agreements.

14 **1.010.20.7.N. Random Moment Sampling**

15 ~~1. Participation in Random Moment Sampling~~

16 Participation in random moment sample reporting shall be required by all County
 17 ~~Department~~county departments of social/human services employees as determined by the
 18 Colorado Department of Human Services and the Department of Health Care Policy and
 19 Financing.

20 ~~2. Purpose of Reporting Under Random Moment Sampling~~

21 ~~The purpose of this reporting is to measure time expended by employees on certain programs in~~
 22 ~~order to substantiate expenditures eligible for federal reimbursement. Reporting on random~~
 23 ~~moment sampling measures the direct services provided by the~~
 24 ~~The purpose of this reporting is to~~
 25 ~~measure time expended by employees on certain programs in order to substantiate expenditures~~
 26 ~~eligible for federal reimbursement. Reporting on random moment sampling measures the direct~~
 27 ~~services provided by the County Department~~county department of social/human services. The
 28 results of the workload study are used to distribute the indirect costs of the County Department
~~county department of social/human services~~ to direct service areas.

29 **1.010.21.7.O. Countywide Cost Allocation Plan**

30 ~~1. Availability of Funds~~

31 Based on the availability of State and federal funds, County Department ~~a county's~~ allowable
 32 indirect ~~countywide~~ costs shall be reimbursed.

33 ~~2. Purpose of the Countywide Cost Allocation Plan~~

34 Counties shall prepare a County Department ~~countywide~~ cost allocation plan that allocates
 35 indirect costs across the County Department ~~county~~ operations relative to the benefit derived.
 36 ~~Countywide cost allocation plans shall be used in determining rates, fees, or the cost of services~~
 37 ~~provided, and by management in determining the cost effectiveness of a program or~~
 38 ~~activity.~~
 39 Countywide cost allocation plans shall be used in determining rates, fees, or the cost of
 40 services provided, and by management in determining the cost effectiveness of a program or
 41 activity.

41 ~~3. Countywide Cost Allocation Plan, Cost Principles~~

1 Certified ~~State Department~~countywide cost allocation plans must be prepared in accordance with
 2 the cost principles found in the Office of Management and Budget Uniform Guidance and the
 3 HHS Financial Guidance (2014), which is herebyCircular A-87, "Cost Principles for State, Local
 4 and Indian Tribal Governments," incorporated by reference, or other cost principles as required
 5 by a specific grant.

6 4. ~~_____~~ Responsibility for the Countywide Cost Allocation Plan

7 Responsibility for preparation and ~~submissions~~submittal of an indirect County Department
 8 ~~countywide~~ cost allocation plan is with the County Department. ~~county.~~

9 5. ~~_____~~ Submittal of the Countywide Cost Allocation Plan

10 ~~An~~A copy, either electronic ~~copy~~er ~~hardcopy~~, of the County Departmentcountywide cost allocation
 11 plan that is provided to ~~the~~ Colorado Department of Human Services annually ~~and~~ due on June
 12 30 of each year shall be provided to the StateColorado Department of Health Care Policy and
 13 Financing, Audits Section ~~via electronic mail, 1570 Grant Street, Denver, CO 80203 or submitted~~
 14 ~~electronically to~~ HCPFAudit@hcpf.state.co.us. ~~HCPFAudit@hcpf.state.co.us.~~

15 **1.010.8 _____ Audits, Conflict of Interest, Confidentiality, Misappropriation, and OMB Circulars**

16 **1.010.8.A. _____ County Responsibility for Administration**

17 **1. _____ County Responsibilities**

18 ~~The county department of social/human services is charged with the responsibility for~~
 19 ~~administering all social/human services funds in accordance with rules established by the~~
 20 ~~Colorado Department of Health Care Policy and Financing and other State departments.~~
 21 ~~The county department of social/human services will only be reimbursed for payments~~
 22 ~~under the Colorado Medical Assistance Act and the administration of these programs if~~
 23 ~~said programs are administered in accordance with Colorado Department of Health Care~~
 24 ~~Policy and Financing rules as well as all other applicable Federal, State, and local laws,~~
 25 ~~rules and regulations.~~

26 **2. _____ Federal Compliance on Pass Through Funds**

27 ~~County departments of social/human services are responsible for administering federal programs~~
 28 ~~that involve contracts, grants, block grants, and other agreements and shall comply with~~
 29 ~~the applicable federal and state laws and regulations even though the funds were passed~~
 30 ~~through the Colorado Department of Health Care Policy and Financing.~~

31 **3. _____ Contracts and Memorandums of Understanding**

32 ~~Existing laws, rules and regulations cannot be overridden by terms in a contract or a~~
 33 ~~memorandum of understanding.~~

34 **4. _____ Knowledge of Laws and Regulations**

35 ~~There are many Federal, State and local, laws, rules and regulations that govern the~~
 36 ~~administration of grants, the employment of personnel, and the health and safety of our~~
 37 ~~lands and the general population. When in doubt as to the existence, applicability, or~~
 38 ~~intent of any law, rule or regulation, county personnel shall make inquiries with the~~
 39 ~~Colorado Department of Health Care Policy and Financing and/or the applicable federal~~
 40 ~~department or agency.~~

41 **1.010.22. 8.B. _____ Audit by an Independent Certified Public Accountant**

Each ~~County Department~~county shall annually have a financial and, if required by the Uniform Guidance and HHS Financial Guidance, OMB A-133, incorporated by reference, a single audit made by a certified public accountant. ~~An electronic~~A copy of these audits shall be ~~submitted~~sent to the State Department via electronic mailof Health Care Policy and Financing, 1570 Grant Street, Denver, CO 80203 or ~~submitted electronically~~ to HCPFAudit@hcpf.state.co.us. ~~The~~HCPFAudit@hcpf.state.co.us, within the ~~earlier of 30 days after receipt by the county of the auditor's report~~ must be submitted no later than seven or nine months followingafter the end of the fiscal year. County Departments may request a 3-month extension to September 30th by filing the request with the State of Colorado, Office of the State Auditor. The State audit period. If the audit report is not received by the Department of Health Care Policy and Financing within nine months after the end of the audit period, the Colorado Department of Health Care Policy and Financing may suspend reimbursements of expenditures until such time as the audit report is received. Extensions for filing can be requested from the Department of Health Care Policy and Financing, Audits Section.

1.010.23. 8.C.— Audits by the Colorado Department of Health Care Policy and Financing

Information requested by the ~~State~~Colorado Department ~~of Health Care Policy and Financing~~ personnel resulting from ~~desk~~Desk Audits, ~~Medicaid Eligibility Quality Control (MEQC)~~ audits, Payment Error Rate Measurement (PERM) audits, or any other audit of ~~County Department~~county records, shall be provided by the County Department ~~a response by the county departments of human/social services~~ within the time frame specified in the request. If responses are not received by the due date (including State Department- approved extensions), the ~~State~~Colorado Department ~~of Health Care Policy and Financing~~ may suspend reimbursements of expenditures until such time as the responses are received.

1. — Desk Audits

The ~~State~~Colorado Department ~~of Health Care Policy and Financing~~ is responsible for supervising the maintenance of fiscal and administrative controls to insure proper accountability for all expenditures of State and Federal funds. Desk audits made at the ~~State~~Colorado Department ~~of Health Care Policy and Financing~~ may result in reducing a County Departmentcounty's claim for reimbursement by the amount of any incorrect claims for reimbursement.

2. — Post-Audits

Post-audits are made by the ~~State~~Colorado Department ~~of Health Care Policy and Financing~~ to verify the correctness of payments and benefit authorizations and may result in additional adjustments in County Departmentcounty claims for reimbursement.

3. — Recovery of Money Owed by a County

Pursuant to Section 25.5-1-114, C.R.S., the ~~State~~Colorado Department ~~of Health Care Policy and Financing~~ has the power to recover any monies owed by a Countycounty to the Colorado Department to the State Department of Health Care Policy and Financing by reducing the amount of any payments due from the ~~State~~Colorado Department ~~of Health Care Policy and Financing~~ in connection with any program or activity. Unallowable costs which are identified during either desk audits or field audits will be disallowed despite similar costs which may have been reimbursed in the past.

4. — Corrective Action Process for Financial Compliance Reviews Performed by the Colorado Department of Health Care Policy and Financing

a. — Copy to County Director

The ~~State Colorado~~ Department ~~of Health Care Policy and Financing~~ will mail one copy of the preliminary Financial Compliance Review report to the ~~County director of the county~~ Department ~~Director of Social/Human Services~~

b. ~~_____~~ Deadline for Factual Corrections

~~The County Department~~~~The county department of social/human services~~ shall have 15 working days from the date of mailing to submit any factual corrections to the Financial Compliance Review report to the ~~State Colorado~~ Department ~~of Health Care Policy and Financing~~, Audit Section, 1570 Grant Street, Denver, CO 80203. If no factual corrections are to be submitted, then the ~~County Department~~~~county department of social/human services~~ shall have 30 working days from the date of mailing to submit a corrective action plan to the Audit Section.

c. ~~_____~~ Corrective Action Plan

The corrective action plan submitted by the ~~County Department~~~~county department of social/human service~~ shall include a:

i) ~~_____~~ Written Corrective Action Plan Completion

Description, in writing, ~~of~~~~en~~ how each non-compliance issue has been corrected; or

ii) ~~_____~~ Information on the Corrective Action Planned

Plan, in writing, by which each non-compliance issue will be corrected. Such a plan must contain the following information for each non-compliance issue:

- 1) ~~_____~~ Identify the non-compliance issue,
- 2) ~~_____~~ List the specific action(s) to be taken to correct the non-compliance,
- 3) ~~_____~~ List the specific time frames for completion of each specific action, and
- 4) ~~_____~~ Provide the name of the contact person responsible for corrective action.

The corrective action plan should proceed as rapidly as possible.

~~_____~~ d. ~~_____~~ Technical Assistance

The ~~County Department~~ ~~county department of social/human services~~ may request technical assistance from the State ~~Department~~ in developing the corrective action plan. This request must occur within the 30-day period.

e. ~~_____~~ Extension of Time

If the ~~County Department~~~~county department of social/human services~~ needs additional time to develop a Corrective Action Plan, the ~~County Director~~~~county director~~ must submit a request in writing to the ~~State Colorado~~ Department ~~of Health Care Policy and Financing~~, Audit Section, 1570 Grant Street, Denver, CO 80203, specifying the new timeframe and providing an explanation for the extension request.

i) ~~_____~~ Review of Extension Request

The ~~State Colorado~~ Department ~~of Health Care Policy and Financing~~, Audit Section, will review the request for time extension within five working days of

1 receipt and respond to the County Department Director. ~~county department of~~
 2 ~~social/human services director.~~

3 f. Corrective Action Plan

4 ~~_____ ii)_____~~ Accept or Reject the Corrective Action Plan_

5 Within 30 working days of receipt of the Corrective Action Plan from the County~~county~~
 6 ~~department of social/human services, the Colorado~~ Department, the State Department of
 7 Health Care Policy and Financing, Audit Section, will review and either accept or reject
 8 the corrective action plan._

9 ~~f._____~~ Corrective Action Plan

10 i)_____ Accepted Corrective Action Plan_

11 If the plan is accepted, this decision will be indicated and the County
 12 Department~~county department of social/human services~~ will be notified via letter._

13 ii)_____ Rejected Corrective Action Plan_

14 If the plan is rejected by the State~~Colorado~~ Department ~~of Health Care Policy~~
 15 ~~and Financing,~~, the County Department~~county department of social/human~~
 16 ~~services~~ will be notified in writing of the decision along with a new due date for an
 17 amended plan to be submitted._

18 iii)_____ Accepted New Plan_

19 Upon acceptance of the new plan, the State~~Colorado~~ Department ~~of Health Care~~
 20 ~~Policy and Financing~~, Audit Section will follow procedures outlined in section
 21 1.010.8.C(4)(f)(i) of these rules._

22 iv)_____ Follow-Up_

23 The State~~Colorado~~ Department ~~of Health Care Policy and Financing~~, Audit
 24 Section will verify that the County Department ~~county department of~~
 25 ~~social/human services~~ has complied with the corrective action plan._

26 v)_____ Closure_

27 The State~~Colorado~~ Department ~~of Health Care Policy and Financing~~, Audit
 28 Section, will send a closure letter to the County Department Director~~county~~
 29 ~~director~~ and any applicable financial adjustments to the State~~Colorado~~
 30 Department ~~of Human Services~~, Accounting Division to be processed in the State
 31 financial reporting system._

32 5._____ Appeal Process for Financial Compliance Reviews Performed and Management Decisions Issued
 33 by the State ~~Colorado~~ Department ~~of Health Care Policy and Financing~~, Audit Section_

34 a._____ Appeal in Writing_

35 The appeal must be in writing and addressed to the Audit Manager of the State ~~Colorado~~
 36 Department ~~of Health Care Policy and Financing~~, 1570 Grant St., Denver, CO 80203.
 37 The appeal must be received in the Audit Manager's office within 30 days from the date
 38 of Notice of Non-Compliance. The basis for the appeal shall be limited to a factual error in
 39 the report or an incorrect interpretation of law, rule, or regulations. The County
 40 Department~~county~~ may submit documents or evidence with its appeal. Within 30 days of

1 receiving the appeal, the Audit Manager shall issue his/her final decision in writing. The
 2 final decision shall be mailed to the ~~County Department~~county. The effective date of the
 3 Audit Manager's final decision is the date it is signed.

4 b. ~~_____~~ A secondary appeal may be made in writing to the Executive Director of the
 5 ~~StateColorado~~ Department of Health Care Policy and Financing, 1570 Grant Street,
 6 Denver, CO 80203, after a final decision by the Audit Manager. The secondary appeal
 7 must be received by the Executive Director of the ~~StateColorado~~ Department of Health
 8 ~~Care Policy and Financing~~ within 30 days from the date of the decision by the Audit
 9 Manager. The Executive Director of the ~~State~~ Department will notify the ~~County~~
 10 ~~Department~~county department of the decision in writing. The decision of the Executive
 11 Director of the Department shall be the end of the appeal process.

12 6. ~~_____~~ Interest on Wrongful Claims

13 a. ~~_____~~ Statutory Interest

14 When money or property has been wrongfully claimed, withheld, or reimbursed, and
 15 when there is no agreement as to the interest rate, interest charged by the State may be
 16 at the rate of eight percent per annum compounded annually commencing on the date of
 17 the wrongful claim, withholding, or reimbursement to the date of settlement for all moneys
 18 or the value of property wrongfully claimed withheld, withheld, or reimbursed. Interest
 19 paid to the State may not be claimed for reimbursement.

20 7. ~~_____~~ Federal Department of Health and Human Services, and Other Federal Department or Agencies

21 The federal Department of Health and Human Services and other federal departments or
 22 agencies with which the ~~County Department~~county department of social/human services expends
 23 funds and is reimbursed with federal funds may make periodic audits in ~~the~~ selected ~~County~~
 24 ~~Department~~county department of social/human services to verify the correctness of payments,
 25 case recording, and pertinent administrative practices. ~~The~~ County ~~Departments~~departments of
 26 ~~social/human services~~ shall comply with requests from these federal auditors. These audits may
 27 result in adjustments in ~~County Department~~county claims for reimbursement.

28 **1.010.24. 8.D. Conflict of Interest**

29 1. ~~_____~~ Conflicts of Interest

30 ~~No County Department~~No county department of social/human services employee shall accept
 31 fees, compensation, gifts, payment of expenses, or any other item of monetary value under
 32 circumstances in which the acceptance could result in:

33 a. ~~_____~~ Preferential Treatment

34 An undertaking to give preferential treatment to any person or business, or,

35 b. ~~_____~~ Impeding Efficiency or Economy

36 Impeding governmental efficiency or economy, or,

37 c. ~~_____~~ Loss of Independence or Impartiality

38 Any loss of complete independence or impartiality, or,

39 d. ~~_____~~ Decisions Made Outside Official Channels

40 The making of governmental decisions outside official channels, or,

1 e. ~~Activity Detrimental to Duties and Responsibilities~~

2 County ~~Department~~ ~~department of social/human services~~ employees ~~engagingshall not~~
 3 ~~engage~~ in any activity that may be perceived as detrimental to the discharge of assigned
 4 duties and responsibilities, or,

5 f. ~~Reasonable Inference of Conflict of Interest~~

6 The reasonable inference that any of the provisions in this subsection have happened or
 7 might happen, or,

8 g. ~~Adverse Effect on Public Confidence~~

9 Any adverse effect on the confidence of the public in the integrity of the government of
 10 the State of Colorado or its ~~County Department~~ ~~county departments of social/human~~
 11 ~~services~~.

12 2. ~~Personal Business Interests~~

13 County commissioners, ~~County Department Director~~ ~~county department of social/human service~~
 14 ~~directors~~, or any other ~~County Department employees~~ ~~county department of social/human~~
 15 ~~services employee~~ shall not perform an official act directly and substantially affecting an
 16 economic benefit for a business or other undertaking in which they either have a substantial
 17 financial interest or are engaged as counsel, consultant, representative, or agent.

18 3. ~~Outside Employment~~

19 All outside employment of ~~County Department~~ ~~county department of social/human services'~~
 20 employees shall have the prior written approval of their appointing authority. The outside
 21 employment shall not conflict with the interests of the ~~County Department~~ ~~county department of~~
 22 ~~social/human services, the county~~ involved, the State of Colorado, or the federal government.

23 4. ~~Private Business with People Inspected~~ ~~You inspect~~ or ~~Supervised by County~~
 24 ~~Employees Supervise~~

25 County commissioners, ~~County Board~~ ~~city council or any board~~ of ~~Social/Human Services,~~
 26 ~~County Department Directors~~ ~~social/human services, county department of social/human service~~
 27 ~~directors~~, or any other ~~County Department~~ ~~county department of social/human services~~ employee
 28 shall not engage in a substantial financial transaction for their private business purpose with a
 29 person whom they inspect or supervise in the course of their official duties.

30 5. ~~Employment w~~ ~~Within Six Months of Termination~~

31 County commissioners, ~~County Board~~ ~~city council or any board~~ of ~~Social/Human Services,~~
 32 ~~County Department Directors~~ ~~social/human services, county department of social/human services~~
 33 ~~directors~~, or any other ~~County Department~~ ~~county department of social/human services~~ employee
 34 shall not, within six months following the termination of their office or employment, take
 35 advantage, unavailable to others, of matters with which they were directly involved during their
 36 employment.

37 6. ~~Voting or Attempting to Influence~~

38 Pursuant to Section 24-18-109, C.R.S., County commissioners, ~~County Board~~ ~~city council or any~~
 39 ~~board~~ of ~~Social/Human Services, County Department Directors~~ ~~social/human services, county~~
 40 ~~department of social/human services directors~~, or any other ~~County Department~~ ~~county~~
 41 ~~department of social/human services~~ employee shall not vote and shall refrain from attempting to

1 influence the decision of other members of the governing body in voting on matters in which they
2 have a personal or private interest.

3 **1.010.25. 8.E.—Political Activity**

4 1. ~~Partisan Politics~~

5 Pursuant to the Hatch Act, 5 United State Code (USC) Chapter 15, Section 1502 ~~(2020), which is~~
6 ~~hereby,~~ incorporated by reference, ~~County Department~~county department of ~~Social/Human~~
7 ~~Services~~social/human services' employees whose salary is reimbursed partially or fully with
8 federal funds shall not be candidates for partisan elective office.

9 2. ~~Non-Partisan Politics~~

10 Activity with respect to the proposed adoption of constitutional amendments, the approval of
11 matters specified in referendums, the proposed adoption of charter amendments, the approval of
12 municipal ordinances, or with respect to other matters of a similar non-partisan character, shall
13 not be deemed to be political activity.

14 **1.010.26 Confidentiality 8.F.—**

15 1. ~~Confidentiality of Financial Data~~

16 Pursuant to ~~Section~~Sections 19-1-301 to 19-1-309.5, , 25-2-113.5, 26-1-114, 25.5-1-116, and
17 ~~26-13-102.7, C.R.S., incorporated by reference,~~ financial systems contain both public and
18 confidential information; therefore access to financial data shall not be granted to anyone
19 for general perusal of financial records. However, fiscal data, budgets, financial
20 statements, and reports that do not identify social/human services recipients by name,
21 number, or other identifying information are open records.

22
23 **2. ~~Confidentiality of Clients~~**

24 ~~Pursuant to Sections 19-1-301 to 19-1-309.5, 25-2-113.5, 25.5-1-116 and 26-1-114, 26-13-102.7,~~
25 ~~C.R.S., incorporated by reference, whenever names, addresses or other identifying~~
26 ~~information of applicants for, recipients of, or former and potential recipients of medical~~
27 ~~assistance, that is furnished to or held by another agency or department, such agency or~~
28 ~~department shall be required to prevent the publication of lists thereof and their uses for~~
29 ~~purposes not directly connected with the administration of such medical assistance.~~

30 **3. ~~Confidentiality of Information~~**

31 ~~County departments of social/human services are considered business associates of the~~
32 ~~Department under the Health Insurance Portability and Accountability Act of 1996 (HIPAA).~~
33 ~~Even though a written memorandum of understanding is not required, HIPAA and the~~
34 ~~Department require county departments of social/human services to take appropriate~~
35 ~~actions to safeguard protected health information received for the purpose of determining~~
36 ~~eligibility for Medicaid or other medical assistance programs pursuant to the requirements~~
37 ~~of the HIPAA Privacy Rules, 45 C.F.R. Parts 160 and 164, incorporated by reference. The~~
38 ~~county department of social/human services should follow Agency Letter HCPF 03-008,~~
39 ~~incorporated by reference, and/or any successor letter regarding procedures that should~~
40 ~~be followed to comply with privacy rules.~~

41 **1.010.27. 8.G.—Misappropriations**

1. ~~County Department~~ Employee Misappropriation

No ~~County Department~~ ~~county department of social/human services~~ employee shall use ~~County Department~~ ~~county department of social/human services'~~ time, property, equipment, or supplies for private or any other use not in the pursuit of ~~County Department~~ ~~county department of social/human services'~~ business.

a. ~~County Department~~ Reporting of Employee Theft or Embezzlement

Any suspected theft or embezzlement of federal, State, or local funds shall be immediately reported to at least one level of management above the party(s) suspected or to the ~~County Department~~ ~~county social/human services board~~. In addition, suspected thefts or embezzlements shall be reported to the Audits Section of the Colorado Department of Health Care Policy and Financing at 1570 Grant Street, Denver, CO 80203-1818 or submitted electronically to HCPFAudit@hcpf.state.co.us. A theft or embezzlement of State and/or federal funds or assets totaling \$5,000.00 or more shall be reported in writing to the ~~County Board of Social/Human Services~~ ~~county social/human services board~~ and to the Audits Section of the ~~State~~ ~~Colorado~~ Department of Health Care Policy and Financing at 1570 Grant Street, Denver, CO 80203-1818 or submitted electronically to HCPFAudit@hcpf.state.co.us

b. ~~County Department~~ Fraud Training

No less than eight hours of fraud prevention training shall be given annually to all eligibility technicians, caseworkers, resource investigators, homemakers, supervisors, and such other persons within the ~~County Department~~ ~~county department of social/human services~~ as the ~~D~~director deems necessary, ~~annually~~. A law enforcement agency or its appropriate professional association shall conduct such training.

1.010.28. U.S. Department of Health and Human Services 45 CFR Part 75 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (HHS Financial Guidance)

1.010.8.H. Office of Management and Budget (OMB) Circulars

1. ~~County Department~~ Compliance with ~~HHS Financial Guidance~~ ~~Office of Management and Budget (OMB) Circulars~~

The ~~US Department~~ ~~Office of Health~~ ~~Management~~ and ~~Human Services~~ ~~Budget~~ has issued ~~guidances~~ ~~several documents~~ pertaining to grants management. Counties shall comply with the applicable ~~guidance~~ ~~circulares~~ and shall hold their subrecipients and vendors accountable for compliance, ~~with the applicable circulars as listed below:~~

a. ~~County Department~~ OMB Circular A-87, "Cost Principles For State, Local, and Indian Tribal Governments"

OMB Circular A-87 was published at 60 FR 26484 on 05/04/1995, and further amended at 62 FR 45934 on 08/29/1997, incorporated by reference.

b. ~~County Department~~ OMB Circular A-102, "Grants And Cooperative Agreements with State and Local Governments, and the Attached Common Rule"

OMB Circular A-102 was published at 59 FR 52224 and dated on 10/07/1994. OMB Circular A-102 was further amended at 62 FR 45934 and dated 08/29/1997, incorporated by reference.

c. ~~County Department~~ OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations"

~~OMB Circular A-133 was issued pursuant to the Single Audit Act of 1984, P.L. 98-502, and the Single Audit Act Amendments of 1996, P.L. 104-156, incorporated by reference~~

2. ~~Applicable Cost Principles Flow Through on Federal Funds~~

~~The County Department shall comply with U.S Department of Health and Human Services, 45 CFR Part 75, Uniform Administrative Requirements, OMB Circular A-87, “Cost Principles, and Audit Requirements, Appendix V - State/Local Governmentwide Central Service Cost Allocation Plans for HHS Awards, for State, Local, and Indian Tribal Governments”, incorporated by reference. If the County Department passes through federal funds to a non-profit organization, that non-profit organization shall also comply with the OMB Circular A-122, “Cost Principles for Non-Profit Organizations”, incorporated by reference. If the county passes through federal guidance funds to an educational institution, that educational institution shall comply with OMB Circular A-21, “Cost Principles for Educational Institutions”, incorporated by reference.~~

3. ~~Compliance with Individual Federal Awards~~

~~Individual federal awards may identify circumstances or dictate policy that is unique to the federal participation. In these instances the federal award policy shall be followed in the administration and financing of that particular federal award.~~

1.020. COUNTY ADMINISTRATIVE RULES

The incorporation by reference (as indicated within) throughout section 1.020 excludes later amendments to, or editions of, the referenced materials. Pursuant to C.R.S. § 24-4-103(12.5) the Department maintains copies of this incorporated text in its entirety available for public inspection during regular business hours, at: Colorado Department of Health Care Policy and Financing, 1570 Grant Street, Denver, CO 80203. Certified copies of incorporated materials are provided at cost upon request.

Incorporated materials are found in the following sections: 1.010.1, 1.010.3(5), 1.010.5(2)(b), 1.010.7.H(4), 1.010.7.I(4), 1.010.7.K(2), 1.010.7.K(4), 1.010.7.M(3), 1.010.7.O(3), 1.010.8.A(1), 1.010.8.B, 1.010.8.E(1), 1.010.8.F(3), and 1.010.8.H(1)-(5).

1.020.1. Purpose and Scope

1. These rules are the administrative rules for County Departments concerning Medical Assistance and the administration of that assistance including but not limited to oversight of compliance with State Department requirements. The definitions set forth at section 1.010.1 of these rules are also applicable to this section 1.020.

2. County Responsibilities

The County Department is charged with the responsibility for administering all Medical Assistance Program activities in accordance with rules established by the State Department. The County Department will only be reimbursed for payments under the Colorado Medical Assistance Act and the administration of these programs if said programs are administered in accordance with the State Department rules as well as all other applicable federal, State, and local laws, rules and regulations.

3. Knowledge of Laws and Regulations

There are many federal, State, and local laws, rules and regulations that govern the administration of grants, the employment of personnel, and the health and safety of our lands and the general population. When in doubt as to the existence, applicability, or intent of any law, rule or regulation, County Department personnel shall make inquiries with the State Department and/or the applicable federal department or agency.

1.020.2. County Board of Human/Social Services Administrative Responsibilities

1. Membership Consists of County Board of Commissioners

The County Board of Social/Human Services shall consist of the board of the county commissioners in each county; except in the City and County of Denver, means the department or agency with the responsibility for Medical Assistance activities, and, in the City and County of Broomfield, means the department or agency with the responsibility for Medical Assistance and related activities.

2. The County Board of Social/Human Services Is Separate from the Board of County Commissioners

The County Board shall perform its Medical Assistance duties, responsibilities, and activities separate and apart from the duties and responsibilities of the board of county commissioners and in accordance with rules and regulations adopted by the State Department for the administration of Medical Assistance activities in the counties.

3. Cooperation and Reporting

The County Board shall cooperate with the State and federal government in any reasonable manner, in conformity with the laws of the State, which may be necessary to qualify for federal aid, including the preparation of plans, making reports in such form and containing such information as any federal agency may require from time to time, and compliance with such provisions as the federal government may from time to time find necessary to assure correctness and verification of the reports.

4. County Board Responsibilities

a. Appoint a County Department Director

The County Board shall appoint a County Department Director or shall appoint someone acting in the capacity of a director. At no time will the County Department be without the services of a director or an acting director.

b. Sign All Warrants

One member of the County Board shall sign all warrants or one member of the County Board shall have their facsimile signature on all social/human services warrants. In the case of a facsimile signature there shall be detailed written procedures that set forth internal administrative controls and internal accounting controls surrounding the application of the facsimile signature.

c. Approve All Expenditures

One member of the County Board, who shall be designated by resolution for that purpose, shall review and approve in writing the expenditure of salaries and expenses prior to the disbursement of funds. Such written approvals shall indicate the approval of the board of County Department commissioners and the County Board.

d. Financial Statements

The County Board is ultimately responsible for the preparation, content, completion and/or distribution of materially correct financial statements of the social/human services fund prepared by the County Department staff, or outside entities.

1.020.3. County Department Director Administrative Responsibilities

1 1. Secretary to the County Board

2 The County Department Director shall serve as secretary to the County Board, unless the County
3 Board otherwise appoints a secretary.

4 2. General Duties of the Director

5 a. Director Responsibilities

6 The County Department Director shall be charged with the executive and administrative
7 duties and responsibilities of the County Department, subject to the policies, rules, and
8 regulations of the State Department.

9 b. Responsibility For Staffing

10 The County Department Director, with the approval of the County Board, shall appoint
11 such staff as may be necessary to administer Medical Assistance within the County
12 Department. Such staff shall be appointed and shall serve in accordance with a merit
13 system for the selection, retention, and promotion of the County Department employees
14 as described in the County Department merit system. The salaries of the members of
15 such staff shall be fixed in accordance with the rules and salary schedules prescribed by
16 the County Department merit system. The County Department merit system shall
17 conform to the Code of Colorado Regulations, 9 CCR 2502-1, Volume 2, and 5 CFR
18 900.601. 9 CCR 2502-1, Volume 2 (2021) and 5 CFR 900.601 (2021) are hereby
19 incorporated by reference into this rule. Such incorporation excludes later amendments
20 to, or editions of, the referenced materials. Pursuant to C.R.S. § 24-4-103(12.5), the
21 Department maintains copies of this incorporated text in its entirety, available for public
22 inspection during regular business hours at: Colorado Department of Health Care Policy
23 and Financing, 1570 Grant Street, Denver, CO 80203. Certified copies of incorporated
24 materials are provided at cost upon request.

25 3. Responsibility for Staff Completion of Training

26 a. The County Department Director or designee shall ensure staff appointed to fulfill duties
27 relating to the administration of Medical Assistance complete adequate initial hire
28 training. The director shall also ensure staff appointed to fulfill duties relating to the
29 administration of Medical Assistance complete ongoing training specific to Medical
30 Assistance on an annual basis.

31 b. Staff appointed to fulfill duties relating to the administration of Medical Assistance and
32 who have direct contact with applicants and enrollees or supervise those staff who have
33 direct contact shall complete, on an annual basis, trainings relating to civil rights, non-
34 discrimination and disability competency

35 c. The County Department Director or designee shall ensure that required training is
36 obtained through the Staff Development Center (SDC) and that all County Department
37 created training has been submitted and approved by the State Department.

38 4. Responsibility for Administrative Internal Control and Accounting Internal Control.

39 a. The County Department Director is responsible for organizing staff functions to assure
40 adequate control and safeguards for all cash, fixed assets and negotiable items (cash,
41 bonds, securities, etc) handled by, stored in or used in the county department and
42 establish appropriate internal controls and separation of duties.

1 b. Internal control activities include, but are not limited to, reviews by director or high level
2 financial staff member of actual performance, controls over information processing,
3 physical controls over vulnerable assets, establishment and review of performance
4 measures and indicators, segregation of duties, proper execution of transactions,
5 accurate and timely recording of transactions, and access restrictions to and
6 accountability for resources and records.

7 5. Responsibility for Internal Control on Trust Accounts

8 a. Signatures Required

9 Internal control on trust accounts or other funds entrusted or maintained for others
10 outside the county department of social/human services shall require at least two
11 signatures, one of which is to be the county social/human services director or designee of
12 the county director, for making withdrawals from savings accounts, checking accounts or
13 for the sale of, or redemption of bonds or other securities.

14 b. High Degree of Fiduciary Responsibility

15 Trust accounts require a high degree of fiduciary responsibility. The county department
16 director is responsible for every trust account transaction.

17 6. Responsibility for Record Retention.

18 The county social/human services director shall assure that the county department of
19 social/human services has available all necessary and complete records for audit purposes and
20 that adequate prior years' expenditure documents are maintained for use in the budgeting
21 process.

22 7. Budgetary Responsibility

23 a. Budget Preparation

24 As part of the county budget, the county director shall prepare a county
25 department of social/human services budget and submit this to the county board of
26 social/human services for approval.

27 b. Annual Budgets

28 The county social/human services director shall be responsible for estimating future
29 needs of the county department of social/human services as accurately as possible,
30 utilizing all available data, including economic and census forecasts. The estimates are to
31 be supported by documentation and a narrative supporting the budget. The budget shall
32 estimate revenues from all sources based on the most current information. County
33 department of social/human services revenue shall be sufficient to maintain an
34 appropriate surplus from year to year. The county director is responsible for initiating
35 requests to the county board of social/human services for changes in the county
36 department of social/human services budget.

37 c. Distribution of the Budget

38 The county director shall submit the original budget request to the county board of
39 social/human services and as many copies as it may need. One copy shall be submitted
40 to the Colorado Department of Health Care Policy and Financing, Audits Section, Denver
41 CO 80203-1818 or HCPFaudit@hcpf.state.co.us and the county department of

1 social/human services shall retain two copies. The budget shall be submitted to the board
 2 of county commissioners no later than October 15 of each year.

3 d. Spending Within Budgeted Appropriations

4 The county director shall be responsible for assuring that expenditures do not exceed
 5 appropriations and for controlling the county fund balance at all times.

6 e. Monthly Budget Reports to Commissioners

7 The county director shall be responsible for timely submitting monthly reports to the
 8 board of county commissioners concerning:

- 9 i) A budget report containing a comparison of calendar year-to-date
 10 expenditures to calendar year-to-date county appropriations,
- 11 ii) A budget report containing a comparison of calendar year-to-date earned
 12 revenues to calendar year-to-date county estimated revenues,
- 13 iii) A budget report containing a comparison of State fiscal year-to-date
 14 expenditures to State fiscal year-to-date allocations from the Colorado
 15 Department of Health Care Policy and Financing, and
- 16 iv) Interim Balance Sheet and Statement of Net Assets.

17 f. Budget Revisions

18 The county director shall be responsible for initiating requests to the county board of
 19 social/human services for changes in the county department of social/human services
 20 budget.

21 **54. Responsibilities for Medical Assistance Administration**

22 c. The County Department Director shall be responsible for organizing operations and staff
 23 functions to assure the effectiveness and efficiencies of operations of the County
 24 Department and compliance with applicable State and federal requirements, laws, and
 25 regulations. The County Department Director shall establish adequate internal controls
 26 that include, but are not limited to:

- 27 i. Operations of the overall County Department, such as Accounting or
 28 Administrative Support
- 29 ii. Eligibility determinations
- 30 iii. Quality, accuracy and compliance with audits
- 31 iv. Performance management
- 32 v. Internal communications
- 33 vi. Knowledge and information sharing, such that the County Director can assure
 34 knowledge of and compliance with applicable State and federal requirements,
 35 laws, and regulations
- 36 vii. Program integrity activities

1 viii. Customer service that is provided in a timely, culturally appropriate manner

2 **1.020.4. Colorado Department of Health Care Policy and Financing Statewide Automated Systems**

3 **1. Required Use of Statewide Automated Systems**

4 The County Departments shall use the State of Colorado automated statewide financial, member
5 and/or provider information systems. These systems are designed to collect and store financial
6 records and program data; assist with eligibility and payment determinations; generate forms and
7 reports; create electronic benefit authorizations; and add to, delete, or make changes to the
8 information on file.

9 **2. Granting Access to Statewide Computer or Electronic Systems**

10 The County Departments shall only grant access to the use of State of Colorado statewide
11 member information systems to County Department employees whose duties are directly related
12 to the administration of Medical Assistance or unless approval is otherwise granted by the State
13 Department.

14 **3. Ownership and Usage of Data in Statewide Automated Systems**

15 Medical Assistance data within statewide member and/or provider information automated
16 systems is considered owned by the State of Colorado. All usage of Medical Assistance data
17 from the statewide automated systems is subject to approval by the State Department. If usage of
18 Medical Assistance data is determined to be non-compliant with State Department requirements,
19 the State Department may require corrective actions as specified in section (1.020.11 (Non-
20 Compliance Findings and Action Plan Processes) of these rules.

21 **4. Protection of Data While Using Statewide Automated Systems**

22 Medical Assistance data used by County Departments for the purpose of administering the
23 Medical Assistance program on behalf of the State Department shall be protected at a minimum
24 according to the Colorado Information Security Policies as determined by the Chief Information
25 Security Officer in the Governor's Office of Information Technology or a higher federal standard, if
26 applicable.

27 **5. Sharing of Data originating from Statewide Automated Systems**

28 Medical Assistance data originating from statewide member and/or provider information
29 automated systems shall be used only by those County Department employees whose job duties
30 pertain to the administration of Medical Assistance. Medical Assistance data will not be shared
31 except under those conditions as specified by the State Department. If sharing of Medical
32 Assistance data is determined to be non-compliant with State Department requirements, the
33 State Department may require corrective actions as specified in section 1.020.11 (Non-
34 Compliance Findings and Action Plan Processes) of these rules.

35 **6. County Automated Systems Security**

36 For all automated systems originating from or purchased by the County Departments, the County
37 Department shall:

- 38 a. obtain the approval of the State Department before such systems interface with or
39 download information from statewide automated systems;

- 1 b. ensure the compliance of such systems with the Colorado Information Security Policies
2 as determined by the Chief Information Security Officer in the Governor’s Office of
3 Information Technology or a higher federal standard, if applicable; and
- 4 c. include these requirements in any contractual agreements entered into by the County
5 Department for these automated systems.

6 1.020.5. Confidentiality

7 1. Confidentiality of Applicant/Client Financial Data

8 Pursuant to federal and State law, Medical Assistance program regulations and State of Colorado
9 privacy guidance, information collected and maintained in the Colorado Benefits Management
10 System (CBMS) is private and confidential. Information which is collected or created by the
11 County Departments, acting as the statutory agent for the State Department for the administration
12 of the Medical Assistance program, is confidential information and shall be protected from
13 disclosure by the County Departments. The County Departments, as agents of the State
14 Department, shall comply with 42 CFR §431.300, et seq, which regulates the use and disclosure
15 of information used to determine eligibility for the Medical Assistance program. Access to
16 financial data shall be role-based and only permitted for the administration of the Medical
17 Assistance program. The County Departments may, to the extent that they are able to de-identify
18 information in compliance with HIPAA, release fiscal data, budgets, financial statements and
19 reports that do not identify a beneficiary. The counties may only disclose de-identified information
20 pursuant to the Colorado Open Records Act (CORA), if the county’s legal advisor has declared
21 the records subject to release under CORA

22 2. Non-Confidential Information

- 23 a. The following information not identified with any individual is not confidential and may
24 be released for any purpose related to the administration of the Medical Assistance
25 program:
- 26 i. Total expenditures;
- 27 ii. Number of recipients;
- 28 iii. Statistical data obtained from studies;
- 29 iv. Social data obtained from studies, reports, or surveys.

30 3. Confidential Information

- 31 a. Information secured by the County Department for the purpose of conducting the
32 administration of Medicaid or other Medical Assistance programs, such as for
33 determining eligibility and need, is deemed confidential.
- 34 b. Unless disclosure is specifically permitted by the State Department, the following types of
35 information are the exclusive property of and are restricted to use by the State
36 Department and the County Departments for the purpose of administration of the
37 Medical Assistance program:

1 4. Information contained in applications, reports of medical examinations, correspondence, and other
2 information concerning any person from whom, or about whom, information is obtained by the
3 County Department of Social/Human Services;

4 a. Records of the State Department or County Department I evaluations of the above
5 information.

6 5. Disclosure of Confidential Information

7 a. No one outside the County Department shall have access to records of the County
8 Department, including records collected for or held in CBMS. County Department
9 employees who are acting as the agent of the Department shall have access to
10 confidential records when they are performing work pursuant to 42 CFR section
11 431.302. These individuals shall have access only for purposes necessary for the
12 administration of the programs.

13 Federal and State auditors and private auditors for the County Department, and the
14 applicant/recipient of public assistance and their legal representative may also have
15 access when they comply with HIPAA, 42 CFR Part 2 and all other federal and state
16 statutes and regulations which regulate the privacy of Medical Assistance information.

17 The following individuals shall have access to the records of the department if one of the
18 following conditions is met:

19 6. Record Retention

20 The County Department Director shall assure that the County Department has available all
21 necessary and complete records for audit purposes and that adequate prior years' expenditure
22 documents are maintained for use in the budgeting process.

23 Medical Assistance data of any form shall be retained for the current year, plus three previous
24 years unless:

25 a. There is a written statutory requirement, rule, or regulation available from a County
26 Department, State, or federal agency requiring a longer retention period; or,

27 b. There has been a claim, audit, negotiation, litigation or other action started before the
28 expiration of the three-year period.

29 1.020.6 Non-Discrimination

30 Protection Against Discrimination

31 1. County Departments shall administer Medical Assistance programs in such a manner that no
32 person will, on the basis of race, color, ethnic or national origin, ancestry, age, sex, gender,
33 sexual orientation, gender identity and expression, religion, creed, political beliefs, or disability,
34 be excluded from participation, be denied any aid, care, services, or other benefits of, or be
35 otherwise subjected to discrimination in such program.

36 2. The County Department shall not, directly or through contractual or other arrangements, on the
37 grounds of race, color, ethnic or national origin, ancestry, age, sex, gender, sexual orientation,
38 gender identity and expression, religion, creed, political beliefs, or disability:

1 a. Provide to an individual any aid, care, services, or other benefits that are different, or
2 are provided in a different manner, from that provided to others;

3 Subject an individual to segregation barriers or separate treatment in any manner related to
4 access to or receipt of assistance, care services, or other benefits;

5 b. Restrict an individual in any way in the enjoyment of any advantage or privilege enjoyed
6 by others receiving aid, care, services, or other benefits provided under assistance
7 programs;

8 c. Treat an individual differently from others in determining whether he or she satisfies
9 any eligibility or other requirements or conditions which individuals must meet in order
10 to receive aid, care, services, or other benefits provided under Medical Assistance
11 programs;

12 d. Deny an individual an opportunity to participate in programs of assistance through the
13 provision of services or otherwise, or afford him or her an opportunity to do so which is
14 different from that afforded others under programs of assistance.

15 e. Deny a person the opportunity to participate as a member of a planning or advisory
16 body that is an integral part of the program.

17 3. The references to “aid, care, services or other benefits” includes all forms of assistance,
18 including direct and vendor payments, work programs, social services, and information and
19 referral services.

20 4. No distinction on the grounds of race, color, ethnic or national origin, ancestry, age, sex, gender,
21 sexual orientation, gender identity and expression, religion, creed, political beliefs, or disability
22 is permitted in relation to the use of physical facilities, intake and application procedures,
23 caseload assignments, determination of eligibility, and the amount and type of benefits
24 extended by the County Department to Medical Assistance program recipients.

25 5. The County Department shall assure that other agencies, persons, contractors and other entities
26 with which it does business are in compliance with the above prohibition of discrimination
27 requirements on a continuing basis. The County Department staff are responsible for being alert
28 to any discriminatory activity of other agencies and for notifying the State Department
29 concerning the situation.

30 6. The State Department, through its various contacts with agencies, persons, and referral sources,
31 will be continuously alert to discriminatory activity and will take appropriate action to assure
32 compliance by the offender. If corrective action is not taken, the State Department will notify
33 the agency of termination of payments and association in regard to recipients or applicants. The
34 County Department, on notification by the State Department, will also terminate payments to or
35 association with any agency, person, or resource being used which has been found to continue
36 discriminatory activity in regard to applicants or recipients.

37 7. An individual who believes he or she is being discriminated against may file a complaint with the
38 County Department, the State Department, or directly with the federal government. When a

1 complaint is filed with the County Department, the County Department Director is responsible
2 for an immediate investigation of the matter and taking necessary corrective action to eliminate
3 any discriminatory activities found. If such activities are not found, the individual is given an
4 explanation. If the person is not satisfied, he or she is requested to direct his or her complaint, in
5 writing, to the State Department, Complaint Section, which will be responsible for further
6 investigation and other necessary action consistent with the provisions of Title VI of the Civil
7 Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with
8 Disabilities Act (ADA), and the Age Discrimination Act of 1975, which are hereby incorporated by
9 reference into this rule. Such incorporation excludes later amendments to, or editions of, the
10 referenced materials. Pursuant to C.R.S. § 24-4-103(12.5), the State Department maintains
11 copies of this incorporated text in its entirety, available for public inspection during regular
12 business hours at: Colorado Department of Health Care Policy and Financing, 1570 Grant Street,
13 Denver, CO 80203. Certified copies of incorporated materials are provided at cost upon request.

- 14 8. Upon receipt of a complaint alleging discrimination by the County Department due to race,
15 color, ethnic or national origin, ancestry, age, sex, gender, sexual orientation, gender identity
16 and expression, religion, creed, political beliefs, or disability, the State Department shall explain
17 the Medical Assistance programs non-discrimination policy to the individual. If there is
18 insufficient information as to the nature or other detail concerning the complaint, the State
19 Department shall contact the County Department of Social/Human Services in writing to obtain
20 such information. Copies of the letter shall be sent to the complainant and field administrator.
21 The County Department shall reply in writing.

22 If the State Department determines the County Department action is not discriminatory and the
23 applicant/recipient disagrees, the applicant/recipient has the right to appeal the case to the State
24 Department. This appeal shall be filed in accordance with the appeal rules as described in the
25 "Protections to the Individual", Section 3.609.94.

26 If it is found that a County Department practice or action is discriminatory, the State Department
27 shall initiate a corrective action to assure that any and all discriminatory practices are
28 permanently terminated.

29 1.020.7 Accessibility (ADA)

30 Procedure and/or Information:

31 Civil Rights Contact Person:

32 In an effort to comply with 28 C.F.R Sec. 42.410 and 45 C.F.R. Sec 84.7, County Departments
33 are required to appoint an Individual as the Civil Rights Contact Person ("Contact Person") to
34 assist in administering Medical Assistance programs and practices in accordance with the above
35 referenced civil rights laws. The Contact Person will perform the following responsibilities: (1) act
36 as the central point of contact for the County Department Civil Rights Program Director ("Program
37 Director") relative to information sharing regarding member civil rights; (2) maintain up-to-date
38 knowledge of changes in member related civil rights laws, their impact on programs and also
39 disseminate this information to County Department of Social/Human Services staff and program
40 areas; (3) act as the first point of contact for member civil rights complaints; and (4) post federally
41 required civil rights notices in conspicuous locations (e.g., reception areas, intake areas or other
42 key entry points). The County Department will provide civil rights training and consulting as
43 necessary.

1 Notices:

2 County Departments are required to post the State Department's Nondiscrimination Statement (or
3 substantially similar notice) in a conspicuous place and in appropriate languages (at minimum
4 both English and Spanish). Recommended locations are reception areas, intake areas or other
5 key entry points. The State Department will provide copies of the Nondiscrimination Statement to
6 the various County Department programs. County Departments may also develop and utilize their
7 own nondiscrimination policy statement, as long it subscribes to federal laws and regulations.

8 Compliance:

9 County Departments are required to adhere to the regulations/guidelines established by the
10 various federal departments providing federal financial assistance through the State Department.
11 Questions regarding compliance with such regulations/guidelines may be made directly to the
12 following federal departments:

13 U.S. Department of Health and Human Services Office for Civil Rights

14 1961 Stout Street, Room 08-148

15 Denver, CO 80294-3538

16 Voice Phone: (800) 368-1019

17 FAX: (202) 619-3818

18 TDD: (800) 537-7697

19 Email: ocrmail@hhs.gov

20
21 U.S. Department of Education Office for Civil Rights

22 1244 Speer Boulevard, Suite 310

23 Denver, CO 80204-3582

24 Voice Phone: 303-844-5695

25 FAX: 303-844-4303

26 TDD: 303-877-8339

27 Email: OCR.Denver@ed.gov

28
29 U.S. Department of Agriculture Office of Civil Rights

30 1400 Independence Avenue, SW, Mail Stop 9410

31 Washington, DC 20250-9410

32 Voice Phone: 202-260-1026

33 Toll-free: 866-632-9992

34 Local or Federal relay: 800-877-8339

1 [Spanish relay: 800-845-6136](tel:8008456136)
2 [Fax: 202-690-7442](tel:2026907442)
3 [Email: program.intake@usda.gov](mailto:program.intake@usda.gov)

4
5 [Fair Housing](#)

6 [U.S. Department of Housing and Urban Development](#)

7 [1670 Broadway](#)

8 [Denver, Colorado 80202-4801](#)

9 [Voice Phone: \(303\) 672-5437](tel:3036725437)

10 [Toll-free: 1-800-877-7353](tel:18008777353)

11 [TDD: \(303\) 672-5248](tel:3036725248)

12
13 [County Departments should develop a member Civil Rights Plan that outlines how they will ensure](#)
14 [members, potential members, employees, and others that their programs and services are provided](#)
15 [without regard to race, color, ethnic or national origin, ancestry, age, sex, gender, sexual orientation,](#)
16 [gender identity and expression, religion, creed, political beliefs, or disability. This plan should identify how](#)
17 [the availability of auxiliary aids and services to individuals with disabilities and languages services to](#)
18 [individuals whose first language is not English will be communicated and their complaint filing process.](#)
19 [The Department will make a template civil rights policy available that County Departments may](#)
20 [customize, as necessary, for their own use. The Program Director will provide technical assistance upon](#)
21 [request.](#)

22 [Investigation of Discrimination:](#)

23 [1. In recognition of the fact that complaints may vary in kind and complexity, the County Department of](#)
24 [Social/Human Services should conduct an investigation appropriate to each complaint.](#)
25 [Investigative procedures will depend on the nature and extent of the discrimination alleged and](#)
26 [the context in which the alleged incidents occurred. Appropriate investigative procedures may](#)
27 [include informal review or a formal investigation. The Program Director will be available to](#)
28 [consult on the resolution of member related civil rights issues, as requested.](#)

29 [2. Investigations should be conducted in a timely manner.](#)

30 [3. County Departments of Social/Human Services and recipients of services are expected to cooperate,](#)
31 [in all phases of an investigation and ensuing actions. Retaliation against the person filing the](#)
32 [complaint or persons participating or cooperating in the Investigation is prohibited by federal](#)
33 [law.](#)

34 [4. The complainant and the person against whom the allegation was made should be informed of the](#)
35 [completion of the investigation and whether the allegations were substantiated.](#)

36 [5. If, after an investigation is concluded, there is reason to believe that the federal laws referenced](#)
37 [above have been violated, or that there was inappropriate behavior or action, the Program](#)

1 Director will strive to obtain the cooperation necessary to ensure that satisfactory resolutions in
2 accordance with federal statutes are utilized.

3 Definitions for the purposes of this section 1.020.7 (Accessibility (ADA)):

4 Disability - According to federal regulations, a person is considered to have a disability if s/he: 1) has a
5 physical, communication, or mental impairment which substantially limits one or more major life activities;
6 2) has a record of such an impairment, or 3) is regarded as having such an impairment. Such
7 impairments may include, but are not limited to, blindness, deafness, paraplegia, contagious diseases,
8 etc.

9 Federal financial assistance - Assistance such as, block grants, Medicare (Part A), Public Health Service
10 grants or property.

11 Program Accessibility - An entity having all of its services, programs, or activities, when viewed in its
12 entirety, accessible to and usable by persons with disabilities.

13 Recipient - An entity that receives Federal financial assistance from a federal Department.

14 Provider (Sub recipient) - Any entity that receives federal financial assistance from or through the
15 Department; directly or indirectly, either through a grant, contract or subcontract.

16 **1.020.8 Communications**

17 The State Department has a statutory responsibility to ensure timely and accurate communications to
18 applicants and recipients of the Medical Assistance program. The County Department, as an agent of the
19 state, is also bound by this requirement. Medical Assistance-specific communications issued by the State
20 Department to applicants and enrollees are considered communications issued by the Medical
21 Assistance program, which also must be timely and accurate. Such communications issued by the
22 County Department are subject to review and approval by the State Department to ensure timeliness and
23 accuracy.

24 Communications subject to review by the State Department include written and electronic notices and
25 forms provided to applicants or recipients of the Medical Assistance program as part of ongoing
26 operations of the County Department.

27 The State Department may, at its discretion, review communications issued by County Departments
28 issued through various communication mediums such as websites, online postings, or social media for
29 timeliness and accuracy.

30 Communications deemed by the State Department to be untimely and/or inaccurate shall be issued a
31 finding of non-compliance and will be subject to the corrective action processes as described in section
32 1.020.11 (Non-Compliance Findings and Action Plan Processes) by the State Department.

33 The County Department shall designate a point-of-contact to the State Department for communications
34 and information sharing. This contact is responsible for coordinating with the County Department's public
35 information officer, webmaster, and other communications staff.

36 **1.020.9 State Department Oversight of County Department Compliance with Medical Assistance** 37 **Program Requirements**

38 **1. Purpose**

39 This section and sections 1.020.10, 1.020.11, and 1.020.12 authorize the Colorado Department
40 of Health Care Policy and Financing to enter into informal and formal corrective action plans for

1 non-financial findings of non-compliance identified by the State Department through audits,
2 quality assurance and compliance checks.

3 **1.020.10. Audits, Quality Assurance, and Reviews by the State Department**

4 **1. Federal and State Audits**

5 The County Departments of Social/Human Services shall promptly respond to and comply with
6 State Department requests related to federal and State audit requirements, such as Medicaid
7 Eligibility Quality Control (MEQC), Payment Error Rate Measurement (PERM), Office of the State
8 Auditor (OSA), Office of the Inspector General (OIG) audits and any other required federal or
9 State audit.

10 **2. Quality Assurance Program**

11 All County Department eligibility determinations and actions are subject to review by the State
12 Department Quality Assurance Program. The County Departments shall comply with all State
13 Department Quality Assurance Program requirements and any other federal or state audits.

14 The County Departments of Social/Human Services shall implement appropriate quality
15 assurance measures for activities and expenditures utilizing state and federal funding for the
16 purposes of the administration of Medical Assistance.

17 **3. Desk Reviews and Site Audits**

18 In order to ensure compliance with State and federal rules, the State Department may conduct
19 desk reviews and site audits of County Departments of Social/Human Services. Desk reviews
20 and site audits may review any aspect of a County Department's administration of the Medical
21 Assistance program.

22 **4. Self-Report Audits and Post-Audits**

23 At the request of the State Department, the County Department shall submit a self-report audit or
24 review data. This County Department self-report audit or review data is subject to Post-Audits by
25 the State Department to verify the accuracy of the data.

26 **5. Failure to Comply with Audit Requirements**

27 Failure by the County Department to comply with any aspect of this section 1.020.10. (Audits,
28 Quality Assurance and Reviews) shall result in action plan processes as described in section
29 1.020.11 (Non-Compliance Findings and Action Plan Processes).

30 **1.020.11. Non-Compliance Findings and Action Plan Processes**

31 **1. Non-Compliance Findings**

32 After conducting an audit or review as specified in section 1.020.10. (Audits, Quality Assurance,
33 and Reviews), the State Department shall issue any unresolved findings of non-compliance
34 through Management Decision Letters. Findings of non-compliance will be grouped into the
35 following categories:

- 36 a. Administrative: Non-compliance with administrative requirements, including missing or
37 incomplete policies, procedures, or processes; legal non-compliance; or other types of
38 non-compliance not defined below.

1 b. Quality: Non-compliance with quality assurance, audit, or review requirements set forth
 2 in 1.020.10.

3 c. Performance: Non-compliance with performance measures as determined by the
 4 Colorado Department of Health Care Policy and Financing.

5 2. Notification of Findings to County Department Director

6 a. The Colorado Department of Health Care Policy and Financing will provide a copy of any
 7 Management Decision Letter regarding findings of non-compliance that may lead to
 8 corrective actions or fiscal sanctions as described in this section 1.020.11 (Non-
 9 Compliance Findings and Action Plan Processes) to the County Department Director.

10 3. Improvement Action Plans and Corrective Action Plans

11 When addressing non-compliance by the County Department that may lead to or has resulted in
 12 the issuance of a Management Decision Letter, the State Department shall require the County
 13 Department to submit an action plan to address the non-compliance identified. The State
 14 Department shall specify to the County Department the type of action plan that is required to be
 15 implemented.

16 a. Tier 1 Improvement Action Plan: an informal plan implemented with technical
 17 assistance to address non-compliance and/or performance that may lead to non-
 18 compliance. This type of plan is not subject to fiscal sanctions as defined in section
 19 1.020.12 (Sanctions). The Colorado Department of Health Care Policy and Financing
 20 may convert a Tier 1 Improvement Action Plan to a Tier 2 Corrective Action Plan for any
 21 Tier 1 plans that have failed to be adequately or timely implemented.

22 b. Tier 2 Corrective Action Plan: a formal plan implemented with technical assistance to
 23 address non-compliance and/or performance that may lead to non-compliance. This
 24 type of plan is subject to fiscal sanctions as defined in section 1.020.12 (Sanctions). The
 25 Colorado Department of Health Care Policy and Financing may communicate with the
 26 County Board of Social/Human Services regarding any Tier 2 Corrective Action Plans.

27 4. Completion of Tier 1 and Tier 2 Action Plans:

28 Upon request of the State Department, the County Department shall complete a Tier 1
 29 Improvement Action Plan or Tier 2 Corrective Action Plan. The Tier 1 or Tier 2 Action Plan
 30 submitted by the County Department shall include:

31 a. Non-compliance previously addressed

32 Description, in writing, of how both the individual and systemic root cause of each non-
 33 compliance issue has been previously corrected; the date in which the correction took
 34 place; the staff involved in the correction; and documentation supporting the correction
 35 that took place.

36 b. Non-compliance to be addressed

37 Plan, in writing, explaining how each root cause, both individual and systemic, of the non-
 38 compliance issue will be corrected. Such a plan must contain the following information for
 39 each non-compliance issue:

- 1 1) Identify the non-compliance issue,
- 2 2) List the specific action(s) to be taken to correct the non-compliance,
- 3 3) List the specific time frames for completion of each specific action not to exceed six months without
4 the written consent of the State Department, and
- 5 4) Provide the name of the contact person responsible for each corrective action. The corrective action
6 plan should proceed as rapidly as possible to correct all non-compliance.
- 7 5) Provide documentation demonstrating that the actions to address non-compliance will be
8 completed.

9 a. Technical Assistance

10 The County Department may request technical assistance from the State Department in
11 developing either a Tier 1 or Tier 2 Plan. This request must occur within 15 calendar days of
12 notification to the County Department of the requirement to complete a Tier 1 or Tier 2 Plan.

13 b. Timeframe to Complete and Extension of Time

14 Timeframe to Complete Plan

15 If notified of the requirement to complete a Tier 1 or Tier 2 Action Plan, the
16 County Department shall complete such Plan within 30 calendar days of
17 receiving notification from the State Department.

18 Extension of Time

19 If the County Department needs additional time to develop a Tier 1 or Tier 2
20 Action Plan, the County Director must submit a request electronically to the State
21 Departments at HCPF. Countyrelations@state.co.us specifying the new
22 timeframe requested and providing an explanation for the extension request.

23 c. Review of Extension Request

24 The State Department will review the request for time extension within five working days
25 of receipt and respond to the County Department Director.

26 5. Acceptance or Rejection of a Tier 1 or Tier 2 Action Plan

27 Within 30 business days of receipt of the proposed Tier 1 or Tier 2 action plan from the County
28 Department, the State Department will review and either accept or reject the proposed Tier 1 or
29 Tier 2 Action Plan.

30 a. Accepted Tier 1 or Tier 2 Action Plan

31 If the submitted Tier 1 or Tier 2 action plan is accepted by the State Department, the
32 County Department will be notified electronically of the approval within ten calendar days
33 and implementation of the plan may begin immediately.

34 b. Rejected Tier 1 or Tier 2 Action Plan

35 If the submitted Tier 1 or Tier 2 action plan is rejected by the State Department, the
36 County Department will be notified electronically of the decision and will be required to

1 resubmit a Tier 1 or Tier 2 Plan after participating in technical assistance provided by the
2 State Department to address the individual and systemic root cause of non-compliance.

3 i. The County Department is required to successfully complete an initial technical
4 assistance meeting within 15 calendar days of receipt of the Tier 1 or Tier 2 Plan
5 rejection.

6 ii. If the County Department cannot complete the initial technical assistance
7 meeting within 15 calendar days, the State Department will review the request
8 for time extension within five working days of receipt and respond to the
9 County Department Director.

10 6. Ongoing Monitoring of any Tier 1 or Tier 2 Plan Accepted New Plan

11 Upon acceptance of the Tier 1 or Tier 2 Plan, the State Department begins monitoring the
12 implementation of the plan. Monitoring may include but is not limited to routine reviews of reports,
13 field observations, periodic check-ins, plan amendments, and technical assistance.

14 a. Follow-Up

15 The State Department will verify that the County Department has complied with the
16 approved Tier 1 or Tier 2 Plan. The County Department shall submit any documentation
17 needed to verify compliance with the accepted Plan.

18 b. Non-Compliance with Accepted Plan

19 If the State Department has verified that the County Department has not complied with
20 the accepted Tier 1 or Tier 2 Plan, then:

21 The State Department shall convert a Tier 1 Improvement Action Plan to a Tier 2
22 Corrective Action Plan

23 The State Department shall implement fiscal sanctions for non-compliance on a Tier 2
24 Corrective Action Plan as defined in section 1.020.12 (Sanctions).

25 The first notification of fiscal sanctions due to non-compliance on a Tier 2 Corrective
26 Action Plan shall be sent to the County Director sixty calendar days prior to the
27 implementation of fiscal sanctions. The County Department shall have thirty calendar
28 days after notification of fiscal sanctions to cure non-compliance with the Tier 2 Plan to
29 avoid implementation of fiscal sanctions.

30 The second notification of fiscal sanctions due to non-compliance on a Tier 2 Corrective
31 Action Plan shall be sent to the County Director thirty calendar days prior to the
32 implementation of fiscal sanctions. The second notification shall include the dollar
33 amount of fiscal sanctions, or any other sanction implemented per section 1.020.12
34 (Sanctions) and the date the sanction will be implemented. The County Department shall
35 have 15 calendar days to cure non-compliance with the Tier 2 Plan to avoid fiscal
36 sanctions.

37 The third notification of fiscal sanctions due to non-compliance on a Tier 2 Corrective
38 Action Plan shall be sent to the County Director five (5) calendar days prior to the
39 implementation of fiscal sanctions. The third notification shall include the dollar amount
40 of fiscal sanctions, or any other sanction implemented per section 1.020.12 (Sanctions)
41 and the date the sanction will be implemented. After receiving a third notification, the

1 County Department will no longer be able to cure non-compliance with the Tier 2 Plan
2 and fiscal sanctions will be implemented.

3 Non-compliance with the Tier 2 Plan after fiscal sanctions have been implemented shall
4 cure the non-compliance with the Tier 2 Plan but will not reverse fiscal sanctions
5 implemented from non-compliance.

6 c. Closure of an Accepted Plan

7 Upon completion of a Tier 2 Corrective Action Plan and verification of completion by the
8 State Department, a closure letter will be sent to the County Director.

9 d. Appeals of Non-Compliance

10 The County Department shall appeal any first or second notification of non-compliance
11 within the timeframe specified in section 1.20.11.6.b (Non-Compliance with Accepted
12 Plan) by sending an electronic communication to the State Department. The basis for the
13 appeal shall be limited to a factual error in the report or an incorrect interpretation of law,
14 rule, or regulations. The County Department may submit documents or evidence with its
15 appeal. The third notification of non-compliance is not subject to appeal by the County
16 Department. Within 10 calendar days of receiving the appeal, the State Department shall
17 issue a final decision in writing, which will be sent electronically to the County Department
18 Director. The effective date of the final decision is the date it is signed.

19 **1.020.12 Sanctions**

20 If the County Department does not meet the requirements of 10 CCR 2505-10 sections 8.000, 8.100,
21 8.400, 8.500, 8.940 through 8.943, and 8.1000; 10 CCR 2505-5 section 1.010; or 10 CCR 2505-3
22 sections 100, 300, 400, and 600; or fails to comply with an approved Tier 2 Corrective Action Plan as
23 described in section 1.020.11.3 (Improvement Action Plans and Corrective Action Plans), the State
24 Department may impose the following sanctions:

25 1. Disallowance of State and federal funds for reimbursement of the salary of the County Director;

26 2.The State Department's undertaking of the administration of the Medical Assistance program for
27 which the County Department has not met State and federal requirements or the requirements
28 of a Tier 2 Corrective Action Plan; and

29 3. Any other action which may be necessary or desirable for carrying out the provisions of Title 25.5 of
30 the Colorado Revised Statutes and its implementing regulations.